0856-B-03 PREX 7.10:FBIS-EAS-92-128

FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-92-128
Thursday
2 July 1992

JB 99-015271

COMPLETED

Daily Report
East Asia

FBIS-EAS-92-128 CONTENTS *2 July 1992*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

PRC To Seek Spratlys Settlement Through Talks *[AFP]* 1

NORTHEAST ASIA

Japan

Bush-Miyazawa Talks in Washington Summarized *[KYODO]* 2
  Bush Supports UN Council Seat Bid *[KYODO]* 3
Kato Comments on Permanent Security Council Bid *[KYODO]* 3
Tokyo To Provide Aid to Russian Nuclear Plants *[KYODO]* 3
Peace Treaty Talks To Be Held With Russia *[KYODO]* 4
Ishihara Refuses Comment on Yeltsin Statement *[KYODO]* 4
Government Dismisses Yeltsin's 'Stern Warning' *[KYODO]* 4
Tokyo, Russia Agree on Debt Repayment Deal *[KYODO]* 5
Chernobyl Children Arrive for Medical Checkups *[KYODO]* 5
Action Plan With ROK Said Not Quick Remedy *[KYODO]* 6
French Delegates Seek Public Works Projects *[KYODO]* 6
Tokyo Opposes Antarctica Whaling Sanctuary Bid *[KYODO]* 7
  Reiterates Rejection of Proposal *[KYODO]* 7

South Korea

U.S. Academic Interviewed on Kim Il-song Meeting *[HANGUK ILBO 2 Jul]* 8
Joint Political Subcommittee Meeting Detailed *[Seoul Radio]* 8
DPRK Proposes 8 Jul for Red Cross Contact *[Seoul Radio]* 9
Kim Yong-sam Plagued by Intraparty Conflicts *[THE KOREA TIMES 2 Jul]* 9
No Tae-u Urges Leaders To Make Assembly 'Normal' *[YONHAP]* 10
Opposition Seeks Delay of Major Construction *[THE KOREA TIMES 2 Jul]* 10
President No Orders More Funds for Banks *[THE KOREA TIMES 2 Jul]* 11
Government Not Happy With Japan Trade Agreement *[THE KOREA TIMES 2 Jul]* 11
Trade Ministry Perplexed by Ongoing Trade Deficit *[THE KOREA TIMES 2 Jul]* 12
Steel Exports To Suffer From Anti-Dumping Suits *[THE KOREA HERALD 2 Jul]* 13
  Steelmakers Reducing Manpower *[YONHAP]* 13
Daewoo To Use Russian Aviation Technology *[MAEIL KYONGJE SINMUN 1 Jul]* 13
* Visit to Najin-Sonbong Free Trade Zone Detailed *[HANGYORE SINMUN 7-9 May]* 13
* Economic Relationship With China Examined 17
  * PRC Trade Official Interviewed *[CHUGAN CHOSON 7 Jun]* 17
  * KOTRA Urges Study of PRC Market *[MAEIL KYONGJE SINMUN 2 Jun]* 19
*North Seen More Eager To Sign Joint Statement *[TONG-A ILBO 9 May]* 21
* ANSP Unveils New Communist Group Sanomaeng *[CHOSON ILBO 16 May]* 22

SOUTHEAST ASIA

Burma

Discussions at Coordination Meeting Continue 24
  National Unity Party Views *[Rangoon Radio]* 24
  Shan State Kokang Democratic Views *[Rangoon Radio]* 25
  Union Pa-O National Group Proposals *[Rangoon Radio]* 25
  Khami Solidarity Organization's Views *[Rangoon Radio]* 26

  - La-hu Development Party's Proposals *[Rangoon Radio]* 26
  - Independent Township Representative's Views *[Rangoon Radio]* 27
- U Sein Win Discusses Talks With Ruling Junta *[Paris LE MONDE 27 Jun]* 28

Cambodia

- Son Sann Leaves for Beijing To Meet Sihanouk *[Radio VOK]* 28
- Khmer Rouge, UN Fail To Break Accord 'Deadlock' *[AFP]* 29
- UNTAC Head Urges Strengthening SNC's Authority *[KYODO]* 29
- 'Vital Stretch of Road' Opened Between Factions *[AFP]* 30
- Provincial Troops Move to Takeo Cantonment Site *[SPK]* 30
- UN Troops Arrive, Set Up Camps; Japanese Survey 30
  - Camps Set Up in Khmer Rouge Areas *[Bangkok THE NATION 2 Jul]* 30
  - Contingent From Indonesia Arrives *[ANTARA]* 31
  - Japanese Survey Mission Arrives *[KYODO]* 31
- Ranariddh Urges Parties To Discuss Peace *[Radio VOK]* 32
- Chea Sim on Khmer Rouge Intentions, Accord *[Phnom Penh Radio]* 32
- Khmer Rouge Outlines Accord Implementation Stance 32
  - Two Key Issues Discussed *[Radio VGNUFC]* 32
  - Further on Disarmament *[Radio VGNUFC]* 33
- Editorial Urges Sanctions Against Hardline Group *[Phnom Penh Radio]* 33

Laos

- Military Delegation Meets PRC Counterpart *[KPL]* 34
  - Report on Military Meeting *[Vientiane Radio]* 34
- Social Science Delegation Back From DPRK *[KPL]* 34

Philippines

- Japan Grants $200 Million Commodity Loan *[MANILA BULLETIN 2 Jul]* 34
- Japanese Embassy Picketed Over Peacekeeping Law *[AFP]* 35
- Taiwan Businessmen Offer Funds, Expertise *[THE CHRONICLE 2 Jul]* 35
- Air Force Plans To Modernize Aircraft, Radar *[THE CHRONICLE 2 Jul]* 36
- Ramos Vows To Build 'Credible Air Defense' *[Quezon City Radio]* 37
- Local Governments, Police Plan Peace Initiatives *[Quezon City Radio]* 38
- Think Tank Sees Some Growth Under Ramos *[MANILA BULLETIN 1 Jul]* 38
- Ramos, Sison on Proposal for Rebel Amnesty *[Manila Radio]* 39
  - Honasan Defines Amnesty Demand *[Manila Radio]* 39
  - Ramos Challenged To Reconcile *[PHILIPPINE DAILY INQUIRER 1 Jul]* 39
  - Malacanang for Unconditional Amnesty *[Manila Radio]* 40
- Honasan on Conditions for Talks With Government *[BUSINESS WORLD 1 Jul]* 40
- Police Thwart Attempt To Blow Up Municipal Hall *[Quezon City Radio]* 41
- Forces in Manila Increased for Rebel Attack Plan *[Manila Radio]* 42

Thailand

- Asa Reports on Trip to Manila *[Bangkok Radio]* 42
- Editorial Views Abolition of Peacekeeping Act *[BANGKOK POST 30 Jun]* 42
  - Kaset on Abolition of Law *[Bangkok Radio]* 43
- Kaset, Itsaraphong Testify to Committee on Unrest *[Bangkok TV]* 43
  - Use of Force 'Procedurally Correct' *[THE NATION 2 Jul]* 44
  - Kaset Defends Soldiers *[BANGKOK POST 2 Jul]* 44
  - Subcommittee Accuses Suchinda *[BANGKOK POST 2 Jul]* 45
- Chat Thai Party Elects Chatchai as Party Leader *[BANGKOK POST 2 Jul]* 45
  - Sombun, Athit Resign From Parties *[Bangkok Radio]* 46
- New Limits on Electoral Fraud Potential Seen *[THE NATION 30 Jun]* 46
  - Minister Sets Up Committees *[THE NATION 1 Jul]* 47
  - Paper Views Need for Committee *[BANGKOK POST 2 Jul]* 47
- Anan Signs Order on Committee To Overhaul Media *[THE NATION 30 Jun]* 48
- Deputy Commander Supports Anan's Anti-Coup Views *[BANGKOK POST 2 Jul]* 48

'Good Politicians' To Be Supported Financially *[THE NATION 28 Jun]* 49
Opposition Parties Form National Democratic Front *[BANGKOK POST 1 Jul]* 50
Drug Kingpin Said To Reliquish Control of Army *[BANGKOK POST 30 Jun]* 50

Vietnam

Spokesman Rejects Khmer Rouge 'Fabrication' *[Hanoi Radio]* 51
Sihanouk's Comments on 'Uncooperative' KR Noted *[Hanoi International]* 51
Daily Marks Cambodian Party Anniversary *[VNA]* 51
Deputy Minister Meets Japanese Counterpart *[AFP]* 52
Vo Van Kiet Receives Malaysian State Governor *[VNA]* 52
Vo Van Kiet Meets War Invalids Business Chiefs *[VNA]* 52
Ambassador Accuses PRC Over Spratly Issue *[Bangkok BANGKOK POST 30 Jun]* 52
Fishery Delegation Visits Hong Kong *[Hanoi International]* 53
Diplomatic Ties Established With Marshall Islands *[VNA]* 53
Udmurt Government Delegation Concludes Visit *[VNA]* 53
Bejing-Hanoi Air Service Resumes *[VNA]* 53
Illegal Foreign Offices Reported *[VNA]* 54
Economic Cooperation With UNDP Reviewed *[Hanoi Radio]* 54
Mekong Delta Exports More Rice Than Last Year *[VNA]* 54
Summer-Autumn Rice Planting Reported *[VNA]* 54
NHAN DAN on Party Renovation, Readjustment *[VNA]* 54
More Candidates for Assembly Election Listed *[Hanoi Radio]* 55
Condolences for President's Death Sent to Algeria *[VNA]* 57

AUSTRALASIA

Australia

Keating Says Economic Growth on Target *[Melbourne International]* 58

New Zealand

Country To Buy More Than 2 Australian Frigates *[Melbourne International]* 58

PRC To Seek Spratlys Settlement Through Talks

BK0207063192 Hong Kong AFP in English 0606 GMT 2 Jul 92

[By Bhimanto Suwastoyo]

[Text] Yogyakarta, Indonesia, July 2 (AFP)—China on Thursday assured Asian neighbours it was prepared to settle territorial disputes over the Spratly Islands through negotiation and consultation.

The dispute over the Spratlys, senior Chinese diplomat Zhao Weihong told an informal workshop here on the South China Sea, "is a problem between China and the concerned states in the region."

"Consequently, it should be settled among them, through negotiations and consultations," said Zhao, who is deputy director of the Law and Treaty Department at the Chinese Foreign Ministry.

China's motivation and intentions in the South China Sea have been doubted by other countries since it passed a law on its territorial waters in February which emphasized its "undisputable sovereignty" over islands that dot the South China Sea, including the Spratlys.

Chinese delegates to the workshop on "Managing Potential Conflict in the South China Sea" held in this central Java town since Monday, have in the past two days been straffed by questions from other delegates about Beijing's recent moves.

Besides passing the law, Beijing in May accorded a contract to an American firm for the exploration of oil and gas in an area still under dispute in the southern parts of the Spratlys.

Zhao said any negotiation to seek a settlement should be limited to the countries concerned and warned that "the intervention of any states outside of the region will certainly complicate the problems."

The Spratlys, a group of strategically-located barren islands and reefs, are believed to be rich in oil and gas deposits. China and five other countries—Brunei, Malaysia, the Philippines, Taiwan and Vietnam—have claimed the Spratlys in whole or in part.

The four-day workshop to end later Thursday involves academics, experts and government officials from the six claimant countries as well as from Indonesia, Laos, Singapore and Thailand.

All participants came in an unofficial capacity, workshop officials here have said.

China, Zhao said, has adopted "self restraint" by consenting to cooperate with other states in the region over the Spratlys.

He said Beijing "actively proposes to temporarily shelve the dispute and start the joint development" in the South China Sea.

In the same workshop session, devoted to the Spratlys and the Paracels, another archipelago in the South China Sea, participants from Vietnam, the Philippines and Taiwan have reiterated their government's claim on part or the whole of the Spratlys.

The Vietnamese participant reiterated Hanoi's preparedness to settle its dispute over Spratlys peacefully, pledging to try "to avoid any possible conflict which could affect peace and stability in the region."

"China is ready to cooperate with the other littoral states in order to jointly explore and exploit the resources of the South China Sea," Zhao said.

He proposed that cooperation should begin by adopting "a loose form", such as exchanges of information and research findings between countries using the existing mechanism.

The workshop has so far agreed on the need for several forms of cooperation such as in assessing living and non-living resources in the South China Sea, and in shipping and navigation safety.

Several participants have also agreed on the need to establish an informal consultative mechanism to work out recommendations on cooperation in the South China Sea.

Japan

Bush-Miyazawa Talks in Washington Summarized

OW0207012192 Tokyo KYODO in English 0049 GMT 2 Jul 92

[By Shiro Yoneyama]

[Text] Washington, July 1 KYODO—U.S. President George Bush told Japanese Prime Minister Kiichi Miyazawa on Wednesday he has asked Russian President Boris Yeltsin to settle the territorial dispute with Japan for its own benefits. In an hourlong meeting with Miyazawa, Bush related his remarks on the northern territories issue in his mid-June meeting with Yeltsin, a senior Japanese Foreign Ministry official said.

Bush told Yeltsin, "The resolution of the territorial issue will be in the interest of Russia," according to the Japanese official who attended the White House meeting between Bush and Miyazawa. The official said Bush pledged to Miyazawa the United States will do all it can to settle the dispute.

In remarks to reporters after the meeting, Bush said, "We reaffirmed full United States support for Japan's position on the northern territories."

Miyazawa, speaking after Bush, said, "I am immensely grateful for the President's firm support for Japan's position on the northern territories issue." The dispute concerns the Japanese claim to the Russian-held islands of Kunashiri, Etorofu, Shikotan and Habomai islets which were captured by the Soviet Red Army at the end days of World War II.

Miyazawa thanked Bush for having raised the territorial matter on Japan's behalf and sought America's leadership in pressing Russia to turn over the islands to Japan, the Japanese official told reporters. After the plenary session at the White House, Bush took Miyazawa to the presidential retreat at Camp David, Maryland, to continue discussions on aid to Russia and other new independent states of the former Soviet Union and other critical issues.

Japan's refusal to extend sizable aid to Russia pending the resolution of the territorial row is clouding the prospects of any specific agreement on aid to Russia at next week's Munich economic summit. Leaders of the Group of Seven (G-7) major industrialized countries will meet in Munich from Monday to Wednesday before holding talks with Yeltsin immediately after their annual gathering. The Munich summit brings together Bush, Miyazawa, and leaders of Britain, Canada, France, Germany and Italy as well as top officials of the European Community.

Japanese officials said Miyazawa and Bush also talked about North Korea's nuclear potential, Cambodia, the Uruguay Round of multilateral trade talks, and growth in the world economy, topics which will come at the Munich summit. The two leaders briefly touched upon trade issues during their White House meeting.

But Bush, in his remarks to the press, singled out autos, auto parts, semiconductors, and structural impediments to trade and investment as areas where the United States wants to see progress in talks with Japan. Despite recent agreements on computers and paper, Bush said, "I feel we have more to do."

"We'll track our progress on every item identified by our action plan," Bush said, referring to the agreement he reached with Miyazawa during his Tokyo trip in January. "You can be assured we'll do our part to improve our own competitiveness."

Miyazawa said he and Bush pledged their cooperation in bringing the protracted Uruguay Round of multilateral talks to "an early and successful conclusion," prevention of protectionism, and promotion of global structural adjustments and environmental protection.

"In this connection, in the area of macroeconomic policy, the President and I shared a common view that it is essential for the moment to make sustained recovery of our two economies more certain," he said.

Miyazawa said his government will take "every possible means including necessary substantial additional fiscal measures" to ensure sustained growth of the Japanese economy.

He said he has been "greatly encouraged" by Bush's efforts to cut the U.S. fiscal deficit and to strengthen industrial competitiveness in the United States.

"America will, no doubt, remain the world leader in the post-cold war era," Miyazawa said.

On North Korea, Miyazawa expressed concern about Pyongyang's alleged efforts to develop nuclear weapons, telling Bush Japan will not proceed to normalize relations with North Korea unless North Korea clears the allegations. Miyazawa also told Bush that North Korea should agree to South Korea's proposal for mutual inspections of their nuclear facilities, Japanese officials said.

The prime minister, speaking about a recent Tokyo meeting on Cambodia, said Khmer Rouge leader Khieu Samphan apparently did not come to Japan without a clear mandate, an official said speaking on condition of anonymity. The Khmer Rouge has refused to disarm its troops, threatening the peace progress supervised by the U.N. Transitional Authority in Cambodia.

U.S. Secretary of State James Baker, who was present at the Bush-Miyazawa meeting, was quoted as saying Japan has made generous contributions to the Cambodian peace process. Japan, the United States and other countries pledged a total of 880 million dollars in fresh aid at the Cambodian conference in Tokyo.

Miyazawa and Bush vowed to work for a swift and successful conclusion to the Uruguay Round during the

White House plenary session. Officials said Bush proposed continued U.S.-Japan cooperation in addressing such delicate issues as trade in services and market access under the Uruguay Round.

Miyazawa pointed to Japan's difficulties in liberalizing farm trade, Japanese officials said. Japan has maintained a near total ban on rice imports.

Miyazawa will leave Washington on Thursday for London where he will meet Prime Ministers John Major of Britain and Brian Mulroney of Canada and EC leaders before flying to Munich.

Bush Supports UN Council Seat Bid

OW0207034192 Tokyo KYODO in English 0328 GMT 2 Jul 92

[By Shiro Yoneyama]

[Text] Washington, July 1 KYODO—President George Bush, meeting Prime Minister Kiichi Miyazawa in a secluded presidential retreat near here, on Wednesday threw American support behind a Japanese bid for a permanent seat on the coveted U.N. Security Council, a high-ranking Japanese Foreign Ministry official said.

Bush expressed American support for the potential Japanese bid when Miyazawa said he believes Japan has "credentials" to join the 15-member U.N. Security Council of which five countries have permanent seats. The five are the United States, China, Britain, France, and Russia, which succeeded its seat from the former Soviet Union.

It is the first time the issue of having Japan on the world's most exclusive council became one of the key topics in a Japan-U.S. summit. The two leaders conferred on this and other sensitive and crucial topics in an informal setting at Camp David, Maryland, after attending a plenary session in the White House with senior officials present.

The senior Japanese official said Miyazawa and Bush also agreed to encourage China's open-door policy and improve its human rights record, follow up on the Earth Summit in Rio de Janeiro, Brazil, in protecting the global environment, and help realize an early return of democracy to Peru. Bush, a former envoy to Beijing, has advocated a "stay involved" China policy despite congressional criticism that the President has been soft on the hard-line Chinese leadership.

The two leaders also expressed their concern over the tense situation in Yugoslavia, urging all parties concerned to show restraint in the conflict, said the official who spoke on condition he not be identified. Bush took Miyazawa to the presidential retreat after the White House session in which the President reaffirmed American support for the Japanese campaign to win the reversion of four disputed islands off Hokkaido from Russian control.

In Tokyo, a government spokesman said Miyazawa and Bush discussed China, Peru, and the turmoil in Yugoslavia in tete-a-tete talks at Camp David. The two leaders also discussed environmental issues and strengthening of the United Nations, Deputy Chief Cabinet Secretary Nobuo Ishihara told a regularly scheduled news conference Thursday. He said the talks at the retreat, located outside the capital, were conducted in a family-style atmosphere.

Kato Comments on Permanent Security Council Bid

OW0207104292 Tokyo KYODO in English 1028 GMT 2 Jul 92

[Text] Tokyo, July 2 KYODO—Japan plans to seek international support for its bid for a permanent seat on the United Nations Security Council as opportunities arise, the top government spokesman said Thursday. Chief Cabinet Secretary Koichi Kato made the comment after Prime Minister Kiichi Miyazawa won backing from U.S. President George Bush during talks at the Camp David presidential retreat outside Washington. "The United Nations' role in international politics is increasing," Kato told a regularly scheduled news conference. "Japan's foreign policy is centered on the United Nations, and we would like to expand our opportunities for expressing our views," he said. Kato said that Japan would press for its inclusion among permanent members "as chances arise," but said the government does not plan to lobby intensively at the July 6-8 summit in Munich of leaders of Group of Seven industrialized nations. Japan, the U.N.'s second largest donor, currently occupies one of the 10 nonpermanent seats that are rotated every two years. Other potential members are Germany, Brazil, India and Nigeria. At present, the permanent veto-wielding members are the United States, Russia, China, Britain and France—the victorious nations of World War II. A top Foreign Ministry official also said Thursday that Japan wants a permanent seat on the Security Council, but has no intention of "campaigning" for it. The official, who spoke on condition of anonymity, said Tokyo hopes instead that the international community will conclude that Japan deserves a permanent seat by virtue of what he called its growing world stature and increasingly visible global contributions. He said that in the post-cold war era, the atmosphere is conducive to increasing support for Japan's Security Council aspirations.

Tokyo To Provide Aid to Russian Nuclear Plants

OW0207021592 Tokyo KYODO in English 0151 GMT 2 Jul 92

[Text] Tokyo, July 2 KYODO—Japan plans to grant 25 million dollars to Russia to assist in the implementation of safety measures for its nuclear power plants, government sources said Thursday. Japan will announce the plan at the upcoming Munich summit of seven major industrial nations, the officials said.

The Japanese financial contribution will be part of a 700 million dollar short-term emergency program to be pledged by Japan, the United States, Britain, France, Canada and Italy at the summit, they said. Washington earlier said it would contribute 25 million dollars in aid to Russia.

The European Community (EC) has proposed providing financial contributions through a fund for Russia in the London-based European Bank for Reconstruction and Development (EBRD), which was set up to help former Soviet bloc states. How to reduce the risk of accidents at nuclear power plants in Eastern Europe and the former Soviet Union is expected to be a major topic at the Munich summit.

Peace Treaty Talks To Be Held With Russia

OW0207101292 Tokyo KYODO in English 0956 GMT 2 Jul 92

[Text] Tokyo, July 2 KYODO—Japan and Russia will hold working-level talks July 15 and 16 in Tokyo on their territorial dispute and a related bilateral peace treaty, Foreign Ministry officials said Thursday. Meanwhile, a top Foreign Ministry official said that Prime Minister Kiichi Miyazawa may meet separately with Russian President Boris Yeltsin at the July 5-8 Munich summit of the seven major industrialized countries. The official said that due to lack of time, however, it is not expected that the prospective Miyazawa-Yeltsin talks will delve into substantive discussion on the two nations' long-running dispute over a group of Russian-occupied islands off the coast of Japan. The four islands are Etorofu, Kunashiri, Shikotan, and the Habomai group of islets, all located off Japan's northernmost island Hokkaido. Officials said delegation leaders at the second meeting of the Japan-Russia peace treaty working-group will be Deputy Foreign Minister Kunihiko Saito representing Japan and Vice Foreign Minister Georgiy Kunadze representing Russia. The first meeting was held in February in Moscow, although Japan and the now-defunct Soviet Union have held a number of similar talks over the last few years. The talks, which were originally scheduled to be held in June, will follow Foreign Minister Michio Watanabe's visit to Moscow in May, and will precede an anticipated visit before September by Russian Foreign Minister Andrey Kozyrev. Yeltsin is scheduled to visit Japan in September, at which time Japan hopes Moscow will agree to the transfer of the four contested islands that were seized from Japan by the Soviet Red Army at the end of World War II. Japan has said that settlement of the territorial dispute is a precondition to the signing of a belated peace treaty with Russia as well as the provision of large-scale aid to that country.

Ishihara Refuses Comment on Yeltsin Statement

OW0207044492 Tokyo KYODO in English 0338 GMT 2 Jul 92

[Text] Tokyo, July 2 KYODO—Japan maintained a guarded silence Thursday after Russian President Boris Yeltsin said he will attempt to resolve a longstanding territorial dispute only if Tokyo coughs up more economic aid.

Deputy Chief Cabinet Secretary Nobuo Ishihara said it would be "dangerous" to comment on Yeltsin's statement at this stage because it could have a major impact on bilateral relations.

"We are carefully analyzing Yeltsin's statement," Ishihara told a regularly scheduled news conference. He denied, however, that the comment could derail a meeting between Prime Minister Kiichi Miyazawa and Yeltsin tentatively planned for the final day of the July 6-8 annual summit of the Group of Seven leaders in Munich. Japan is hoping to use the summit to gain support from other leaders of major industrialized countries for its claim to four islands off Hokkaido seized by the Soviet Red Army at the end of World War II.

Yeltsin, who will join the summit leaders in a special session, regards Japan as a major obstacle to obtaining economic assistance needed to prop up Russia's mired economy. In a telephone interview Wednesday, Yeltsin told a reader of the daily KOMSOMOLSKAYA PRAVDA that the territorial issue will remain stalemated if Japan continues to withhold aid in order to pressure Russia to return the four islands. He also discounted the millions of dollars in loans and humanitarian aid Japan has already pledged, saying, "Japan has not invested one yen or one cent in Russia at all."

Yeltsin made similar complaints Wednesday in a meeting with the visiting head of the Japan-Russia trade association, Tetsuo Sato. The comments came one day before U.S. President George Bush pledged full support for Japan's claim to the islands in talks with Miyazawa in Washington prior to the Munich summit. Joining the summit will be leaders of the United States, Japan, Germany, France, Britain, Italy, Canada and the European Community.

Aid to the Soviet Union, including a joint 24 billion dollar package, is expected to be a main topic of discussion at the summit. Japan has said it will contribute to the package but will continue balking on more substantial aid until the territorial dispute is resolved.

Yeltsin is scheduled to visit Tokyo in September for talks on the islands, which have prevented the two neighbors from signing a peace treaty.

Government Dismisses Yeltsin's 'Stern Warning'

OW0207115592 Tokyo KYODO in English 1141 GMT 2 Jul 92

[Text] Tokyo, July 2 KYODO—The government dismissed Thursday a stern warning by Russian President Boris Yeltsin that talks on a sensitive territorial dispute will stall without more Japanese aid.

Yeltsin "got carried away" in an interview Wednesday when he slammed Japan for allegedly failing to provide "1 yen or 1 cent" to Russia, said Chief Cabinet Secretary Koichi Kato.

Seeking to play down Yeltsin's statement that he will not move to end a longstanding territorial dispute between the two nations unless Tokyo coughs up more economic aid, Kato noted that Japan has provided 6.5 billion yen worth of food and humanitarian assistance to Russia.

"I think President Yeltsin and the Russian people are aware of this," Kato told a regularly scheduled news conference.

"It seems that (Yeltsin) got carried away," he said, noting that Japan does not intend to respond to "every remark."

The Japanese Embassy in Moscow is examining the background of the remark, and if necessary Japan will correct any misunderstandings, the top government spokesman said.

Earlier in the day, Deputy Chief Cabinet Secretary Nobuo Ishihara said it would be "dangerous" to comment on Yeltsin's statements at this stage because it could have a major impact on bilateral relations.

"We are carefully analyzing Yeltsin's statement," Ishihara told reporters.

He denied, however, that the comment could derail a meeting between Prime Minister Kiichi Miyazawa and Yeltsin tentatively planned for the final day of the July 6-8 annual summit of the Group of Seven leaders in Munich.

Japan is hoping to use the summit to gain support from leaders of the other major industrialized countries for its claim to four islands located off the northernmost Japanese island of Hokkaido.

The islands—Etorofu, Kunashiri, Shikotan, and the Habomai group of islets—were seized by the Soviet Red Army at the end of World War II.

In a telephone interview Wednesday, Yeltsin told a reader of the daily KOMSOMOLSKAYA PRAVDA that the territorial issue will remain stalemated if Japan continues to withhold aid in order to pressure Russia to return the four islands.

He also discounted the millions of dollars in loans and humanitarian aid Japan has already pledged, saying, "Japan has not invested 1 yen or 1 cent in Russia at all."

Yeltsin made similar complaints Wednesday in a meeting with the visiting head of the Japan-Russia Trade Association, Tetsuo Sato.

The comments came one day before U.S. President George Bush pledged, during talks with Miyazawa in Washington prior to the Munich summit, full support for Japan's claim to the islands.

Aid to the Soviet Union, including a joint 24 billion dollar package, is expected to be a main topic of discussion at the summit.

Japan has said it will contribute to the package but will continue balking on more substantial aid until the territorial dispute is resolved.

Yeltsin is scheduled to visit Tokyo in September for talks on the islands, which have prevented the two neighbors from signing a peace treaty.

Tokyo, Russia Agree on Debt Repayment Deal

OW0207101792 Tokyo KYODO in English 0848 GMT 2 Jul 92

[Text] Tokyo, July 2 KYODO—Japan and Russia have reached basic agreement on a deal allowing former Soviet trade organizations to repay some 360 million dollars in bills with loans from a Japanese bank, trade sources said Thursday.

The deal, involving the Japanese and Russian Governments, nine major Japanese trading houses, and the Bank of Tokyo, would eliminate a major obstacle to Russo-Japanese trade because the repayment problem has kept Japanese companies from dealing with Russian ones, the sources said.

The agreement calls for the Bank of Tokyo to extend loans equal to the unpaid trade bills to the Russian successor to the Soviet Bank for Foreign Economic Relations, so it can pay the bills to the Japanese creditors on behalf of former Soviet trade organizations.

The sources said the Bank of Tokyo will receive the Russian repayments and transfer them to the Japanese trading houses—Mitsubishi Corp., Mitsui and Co., Sumitomo Corp., Nissho Iwai Corp., Tomen Corp., Nichimen Corp., Kanematsu Corp., Toyota Tsusho Corp., and Chori Co.

The Japanese Government would also offer insurance on Japanese investment in Russia, and the Russian Government would guarantee the repayments by the Russian bank to the Bank of Tokyo.

Other details, including the interest on the loans by the Bank of Tokyo, have not been determined, but the parties concerned are expected to sign the deal by the end of the month, the sources said.

Chernobyl Children Arrive for Medical Checkups

OW0207053592 Tokyo KYODO in English 0424 GMT 2 Jul 92

[Text] Narita, Chiba Pref., July 2 KYODO—Ten children from Byelarus who were exposed to radiation in the 1986 Chernobyl nuclear power plant accident arrived in Japan on Thursday to undergo detailed physical examinations.

The children, invited by a citizen's group in the city of Matsumoto in Nagano Prefecture called the Japan-Chernobyl Solidarity Foundation, will receive examinations at the city's Shinshu University Hospital. All 10 were among 700 children identified by doctors from the hospital who have traveled to Byelarus over the last six years as possibly needing treatment to prevent from worsening in their condition.

A hospital spokesman said the children will have internal examinations to determine levels of radiation to which they were exposed. He added that the examinations are precautionary, and that the children are not physically ill at present.

The children, who are between the ages of 10 and 15, will take an express bus Saturday from Tokyo to Nagano, where they will stay in facilities provided by Matsumoto. Besides receiving medical treatment, the children will visit Kyoto and the city of Takasago in Hyogo Prefecture, for sightseeing and to participate in cultural exchanges before they return home at the end of July.

Takushi Takahashi, chairman of the foundation, said the results of the examinations will be studied by doctors being sent to Byelarus to provide treatment to other affected people there. He said, "I hope to use this opportunity to make a long-lasting medical plan."

Action Plan With ROK Said Not Quick Remedy

OW0107181092 Tokyo KYODO in English 1509 GMT 01 Jul 92

[Text] Tokyo, July 1 KYODO—A Japan-South Korea action plan to redress the bilateral trade imbalance in Japan's favor may not work quickly unless South Korea makes an effort to restructure its industry, Japanese analysts said.

South Korea's [words indistinct] 7.7 billion dollars in fiscal 1991, according to Japanese Government figures. The deficit was partly caused by structural problems in the country's industries, the analysts said.

An analyst at Daiwa Institute of Research, an economic research arm of Daiwa Securities Co., said South Korea needs to advance its industries and become technologically independent in order to survive.

South Korea's automobile industry is still lagging behind its Japanese, U.S., and European counterparts in terms of quality, while the country's light industries, such as textiles, are being caught up by counterparts in China and other nations, he said.

South Korean industries are, moreover, too dependent on advanced overseas technology, the analyst said.

The dependency is evident even in fields where the country still enjoys strong exports, such as in the semiconductor industry, and thus patent royalty and other fees are squeezing earnings, he said.

Foreign Ministry officials, meanwhile, said the "action plan" may not work as a quick remedy to correct the bilateral trade imbalance.

It rather aims at improving competitiveness of Korean products from the medium- and long-term point of view, said one ministry official.

Yet, among Japanese business sectors, some suggested that the governments of the two countries promote joint-venture programs rather than establish foundations to encourage technology transfer from Japan to South Korea.

The two countries announced Wednesday that they have agreed on the "action plan," which spells out concrete measures to solve the trade imbalance.

One highlight of the plan is that the two countries establish industrial, science, and technology foundations in each country by the end of 1992 in order to promote transfers of Japanese technologies to South Korea. South Korea also agreed to ease restrictions on Japanese trading house operations in the country.

According to Japanese economists, South Korea had external trade surpluses through the 1980s, backed by the won's depreciation against other currencies and strong automobile exports to nations such as the United States.

The surplus continued to shrink, however, after peaking at 8.8 billion dollars in 1988 and the country reported its first trade deficit in five years in 1990. Sharp rises in labor costs as well as the revaluation of the won had harmed international competitiveness of the country's products, the economists said.

South Korea now cannot cover a trade deficit with Japan due to sharply decreased exports to the U.S., the economists said.

Against such a backdrop, Japanese Prime Minister Kiichi Miyazawa and South Korean President No Tae-u agreed last January in Seoul that an action plan should be drawn up by the end of June.

French Delegates Seek Public Works Projects

OW0207081192 Tokyo KYODO in English 0742 GMT 2 Jul 92

[Text] Tokyo, July 2 KYODO—A French business delegation expressed interest Thursday in joining public works projects implemented under a government plan to stimulate the economy, Foreign Ministry officials said.

President of the Confederation of French Industries and Services (CNPF) Francois Perigot sought expanded opportunities for French businesses in a meeting with Chief Cabinet Secretary Koichi Kato, the officials said.

The government in April endorsed a 15 trillion yen spending plan for public works in fiscal 1992, and may add up to 7 trillion yen more in the fall if the economy fails to pick up.

The officials said that Japan's construction market is open, but foreign firms face disadvantages because bidders lacking experience in Japan are restricted.

Kato, the acting foreign minister, told the French delegation Japan would do its utmost to achieve a 3.5 percent economic growth rate, the officials said.

Perigot also said that Japanese businesses will benefit from European integration, the officials said.

Perigot arrived Tuesday for a week-long visit to promote exports to Japan.

Tokyo Opposes Antarctica Whaling Sanctuary Bid

OW2606080992 Tokyo KYODO in English 0742 GMT 26 Jun 92

[Text] Tokyo, June 26 KYODO—Japanese whalers voiced their opposition Friday to a French proposal to designate Antarctica a whaling sanctuary and threatened to urge the Japanese Government to withdraw from the International Whaling Commission (IWC).

The 44th annual meeting of the IWC convenes Monday in Glasgow to review the commercial whaling moratorium and assess whale populations, as well as consider the French Government proposal to designate the area south of the 40th parallel as a haven for whales.

Delivering a prepared statement to the foreign correspondents' club in Japan, Motonobu Inagaki, president of the Japan Whaling Association, claimed the French proposal has no scientific basis.

He cited a 1990 IWC figure that showed the population of antarctic minke whales is over 760,000.

Inagaki noted the IWC is in the final stage of developing a revised management procedure designed to calculate catch quotas to manage resources without depleting them.

He said the French proposal "obviously spurns the processes of the IWC's strenuous work over many years," and the sanctuary would "hamper research and studies of the Antarctic whale resources."

Inagaki called for "rational and responsible actions for the realistic and technical solution of the whaling issue" and said he believed in "responsible whaling" in the future.

"Should the IWC adopt the French sanctuary proposal at this annual meeting, we will strongly urge our government to withdraw from the IWC," Inagaki said.

Calling for an appreciation of respect for the values held by others, Inagaki argued the Japanese people have depended heavily on agriculture and fisheries for their livelihood for more than 1,000 years and "whales have been incorporated into the food life and culture of the Japanese."

He cited a group of American eskimos from Alaska that protested an IWC meeting more than 10 years ago, quoting, "to force us to give up whales and eat beef is like saying to the French to abandon wine and drink coca-cola."

Inagaki added, however, that Japanese whalers had no intention of "driving whales toward extinction for preserving food culture."

Reiterates Rejection of Proposal

OW3006112492 Tokyo KYODO in English 1024 GMT 30 Jun 92

[Text] Tokyo, June 30 KYODO—Japan reiterated Tuesday its rejection of a French proposal to set up a whale sanctuary in Antarctica but denied that it might withdraw from the International Whaling Commission (IWC).

"We are concerned that the French proposal is not necessarily in line with the basic idea of the international convention of whaling, which is based on the idea of conservation and rational utilization," a Foreign Ministry spokesman said.

Sadaaki Numata said, "whales are a renewable resource which should be managed prudently," adding the subject of whaling should be broached "on the basis of scientific facts and not emotion."

France, at the 44th annual IWC conference in Glasgow, Britain, proposed Monday that a sanctuary be created south of 40 degrees latitude. The safe area would include the main feeding grounds of several large groups of whales, including the sperm whale.

Japan denounced the proposal in a written statement, citing recent IWC figures that estimate the population of Antarctica minke whales to be more than 760,000.

Japan, which catches approximately 380 whales annually for research purposes, is one of a handful of countries that continues to hunt whales despite an IWC moratorium on whaling ever since the 1986 hunting season.

Japan's rejection of the French proposal came on the same day that Iceland formally withdrew from the IWC, charging that the 37-nation body was overly protective of whales.

Numata dismissed the possibility that Japan might follow suit, citing rumors that Japan is seeking to host next year's IWC conference.

"If we were seriously contemplating withdrawing from the IWC we wouldn't make that proposal," he said.

Foreign Ministry sources acknowledged, however, that if the French proposal wins approval from the IWC there will be strong pressure at home for leaving the IWC.

South Korea

U.S. Academic Interviewed on Kim Il-song Meeting

SK0207040092 Seoul HANGUK ILBO in Korean 2 Jul 92 p 2

[Interview with William Taylor, vice president of the U.S. Center for Strategic and International Studies (CSIS), by reporter Yi Sang-sok in Seoul on 1 July]

[Text] William Taylor, vice president of the Center for Strategic and International Studies [CSIS], who came to Seoul on 29 June after winding up his visit to North Korea, said that he had conveyed to the North Korean side "the U.S. concern that if it fails to dispel suspicions on its nuclear development, the United States may refer this matter to the UN Security Council early next month."

Mr. Taylor said that "President Kim Il-song seemed to be satisfied with the recent U.S. attitide of detente toward North Korea such as President Bush's personal letter to Kim Il-song delivered early this year via minister Billy Graham as well the suspension of the Team Spirit exercise."

[Yi Sang-sok] What was the North Korean leaders' reaction to the concerns of Western countries over North Korea's nuclear development?

[William Taylor] President Kim Il-song said "we are making all possible efforts, and the nuclear issue will be properly settled by those officials who are well versed in this issue."

Kim Hyong-u, deputy directer of the International Department of the Workers' Party said that "we have dealt with this issue in a forward-looking manner and will do so also in the future." Kim Hyong-u also said that "a more progressive measure for nuclear inspection is being mapped out."

I had the impression that inter-Korean relation issues, including the nuclear issue, will be properly resolved in the near future.

[Yi] Did President Kim Il-song express his strong intention to improve relations with the United States?

[Taylor] President Kim said that he had issued guidelines to stop "slandering" the United States and that he had canceled the holding of "anti-U.S." rallies, beginning this year.

He also said that if the United States takes a positive attitude, North Korea is ready to take corresponding steps. He said that "the suspension of the Team Spirit exercise by the United States is a good example of a positive step toward North Korea taken by the United States."

[Yi] What "important step" is North Korea considering to improve relations with the South and the United States?

[Taylor] Because they asked me not to disclose it to the press, I cannot tell you the details. The impression I got from my meeting with President Kim Il-song and Kim Yong-sun, director of International Department of the Workers' Party of Korea, was that North Korea will no longer insist on high-level talks between only the United States and North Korea. In other words, North Korea will not object to South Korean participation in U.S.-North Korean dialogue.

[Yi] Did President Kim mention inter-Korean summit talks?

[Taylor] No, he did not.

[Yi] What about the power transfer from Kim Il-song to Kim Chong-il?

[Taylor] (Chuck Bolmer), adviser to CSIS, who accompanied me on my visit to Pyongyang, asked that directly of President Kim. President Kim said: I have delegated most of the power to my son. My son is busy making on-the-spot guidance. However, I myself am still involved in a considerable part of state affairs.

[Yi] What was his physical health like?

[Taylor] He looked very healthy. He said that he still enjoys hunting wild boars and fishing. Some people told me that his memory has deteriorated, but he remembered precise dates and places of events that occurred a very long time ago.

Joint Political Subcommittee Meeting Detailed

SK0207070592 Seoul KBS-1 Radio Network in Korean 0600 GMT 2 Jul 92

[Text] The North and South held the sixth round of the Political Subcommittee meeting at Tongilgak in the North side area of Panmunjom this morning and held negotiations on forming the joint reconciliation committee and adopting an annexed agreement. The meeting, however, ended with little success. The two sides, therefore, agreed to hold a chairmen's contact in Panmunjom on 10 July to continue negotiations.

At today's meeting, our side presented an annexed agreement draft with a separate clause for establishing, as the North side demanded, the implementing organizations such as a working legal consultative committee and a working committee for halting slander and vilifications to deal with the legal and systematic matters of the two sides and the matter of halting slander and name-calling in the joint reconciliation committee that the two sides agreed to form.

At the same time, our side officially urged the North side to present its 11 laws including the North Korean Constitution which was revised last April, on the grounds that each side needs to know the status of the judicial system of the other side to respect each other's law and order.

DPRK Proposes 8 Jul for Red Cross Contact

SK0207081792 Seoul KBS-1 Radio Network in Korean 0730 GMT 2 Jul 92

[Text] North Korea proposed that the fourth Red Cross working-level delegates contact on exchanging visiting groups of elderly parents and art troupes be held on 8 July at the conference room of the Neutral Nation Supervisory Commission in Panmunjom.

In a telephone message sent today to Yi Pyong-ung, our side's senior delegate, Pak Yong-su, the North side's senior delegate to the North-South Red Cross contacts, said that he accepted our side's proposal that the working-level contact be held and proposed 8 July.

Kim Yong-sam Plagued by Intraparty Conflicts

SK0207051192 Seoul THE KOREA TIMES in English 2 Jul 92 p 2

[By staff reporter Kim Sung-pok]

[Text] All the in-house hurdles initially seemed to be cleared from the way in front of Kim Yong-sam [YS], the presidential nominee of the ruling Democratic Liberal Party [DLP], as he managed to persuade Yi Chong-chan, his former rival for the nomination, into staying in the party and helping him with his pursuit of power.

However, he now faces another, which may take him back to square one with his efforts to harness all the party's energy. The problem is the conflict between co-chairman Kim Chong-pil and Yi.

By all accounts, Yi is scheming to push Kim Chong-pil to the sidelines by urging Kim Yong-sam to name him as a party advisor, while tapping the other co-chairman Pak Tae-chun as the party executive chairman.

Prior to the nomination convention, Kim Chong-pil sympathized with Yi but made a hairpin change of heart to back Kim Yong-sam at the last moment.

In the meantime, Kim Chong-pil is unhappy with Kim Yong-sam's alleged "dubious" attitudes.

Aides to Kim Chong-pil got angry with Yi and let on to an April 8 "secret agreement" between Kim Yong-sam and their factional boss to have him be named the party executive chairman, probably in August when President No Tae-u is expected to hand over his DLP presidency to Kim Yong-sam.

Meeting the press Tuesday at a Seoul hospital where he had been admitted for a medical checkup, Yi admitted to having demanded Pak's appointment as the executive chairman.

Pak was the major supporter of Yi in the nomination race against Kim Yong-sam.

Yi appeared to link his call to his other demand that activities by non-mainstreamers, namely the opponents to Kim Yong-sam, be allowed.

Yi told reporters, "Executive chairman Kim told me that the matter should be left up to him. But he promised to tolerate the existence of non-mainstreamers.

He added, "I will wait and see what action Kim Yong-sam takes in response to my demands."

Reports have it that Kim Yong-sam may have agreed to tap Pak to succeed him as the party executive chairman. But Yi denied the reports by saying, "We made no secret agreements.

Yi went on to say that Kim will honor his demand regarding non- mainstreamers if he claims a share of power in the party appropriate to the 33 percent support for him shown in the nomination convention. But he did not lay any claim to any specific power.

However, he made it clear that he has given up the idea of forming a "people's coalition," a political movement against "two Kims," Kim Yong-sam and opposition leader Kim Tae-chung, due to the difficulties in finding a leader with a fresh image. He revealed that he had had contacts with former prime minister Kang Yong-hun and Kim Chun-yop, former president of Korea University, but he failed to invite them to become leaders of the planned body.

He also said that his financial supporter Kim U-chung, chairman of the Daewoo Group, has dissuaded him from bolting from the DLP.

Since the June 25 tete-a-tete between Kim Yong-sam and Yi, Kim Chong-pil has reacted sensitively to reported outcomes of the Kim YS-Yi gathering.

Kim Chong-pil seemed to claim it was an accomplished fact that he would succeed Kim Yong-sam by saying through his aides, "The question of party leadership has already been settled."

Over the issue of appointing the party executive chairman, Kim Yong-sam's close aides, including Choe Hyung-u, Kim Tok-yong and Kim Yun-hwan have raised a strong objections to Pak, arguing that Kim Chong-pil was the main actor in the birth of the DLP through a three party merger.

They also maintain that Kim Chong-pil's possible resistance to a "breach of promise" would jolt the party ahead of the December presidential election.

However, non-mainstreamers and junior lawmakers assert that the DLP with Kim Chong-pil as the "face" of the party could not win the presidential election.

They pointed out that Kim's public image was tarnished by the disclosure of "humiliating" diplomacy he conducted with Japan in the 1960's.

They also argue that Kim Chong-pil turned out to have only weak support even in his Chungchong province power base in the last general elections.

No Tae-u Urges Leaders To Make Assembly 'Normal'

SK0207085992 Seoul YONHAP in English
0733 GMT 2 Jul 92

[Text] Seoul, July 2 (YONHAP)—The off-and-on National Assembly winds up a three-day recess and reopens an extraordinary session Friday [3 July], but it is expected to close down again from Saturday.

The ruling Democratic Liberal Party [DLP] plans to table a motion to hold the first session for 30 days until July 28, and opposition parties said they will agree to the proposal.

But that will be just about the only parliamentary procedure taken up by the 14th National Assembly before the unicameral legislature is idled again over the seemingly insurmountable issue of local elections.

The opposition parties—especially the largest Democratic Party [DP]—refuse to take part in parliamentary businesses unless the ruling party agrees to hold elections of provincial governors and city mayors within this year. Citing the economic burden, the DLP has decided to postpone the elections until 1995.

But a glimmer of hope for a settlement appeared Thursday as the Democratic Party, in a surprising about-face, indicated that it might attend what was called a coordinating apparatus for negotiations, proposed Monday [29 June] by the DLP to find a breakthrough for the issues of local elections and an amendment to the presidential election law.

The ruling and opposition parties are expected to start their negotiations on the issues early next week, sources said.

President No Tae-u, meanwhile, invited Assembly Speaker Pak Chun-kyu and Vice Speakers Hwang Nak-chu and Ho Kyong-man as well as the floor leaders of three major parties to Chongwadae for lunch Thursday and urged them to do their utmost to put the Assembly on a normal track.

Prior to the Chongwadae luncheon, the DLP, the DP and the Unification National Party held separate meetings to discuss their policies in the legislature. The ruling party was said to have decided to strongly urge the DP to help form the proposed apparatus for negotiations.

The DLP also submitted a plan to form the 17 standing committees to the National Assembly, soliciting the opposition parties to do the same.

The ruling party is also said to be contemplating holding the Assembly with the Unification National Party on a partial basis, if the Democratic Party continues to refuse to normalize the Assembly, party sources said.

Earlier in the morning, President No held a regular weekly meeting with Kim Yong-sam, executive chairman of the DLP. At that time, No instructed Kim to work out various measures to open the National Assembly, which, he said, could not be left idle forever because of opposition strategies.

Over at the Democratic Party, leader Kim Tae-chung scheduled a senior officials meeting Friday to try and find a consensus for participation in the coordinating apparatus.

The DP's co-leader, Yi Ki-taek, meanwhile, reiterated his party's position that the local election issue should be resolved ahead of everything else. But he added that the DP was always prepared to negotiate on any issue.

Opposition Seeks Delay of Major Construction

SK0207051492 Seoul THE KOREA TIMES
in English 2 Jul 92 p 2

[Text] Opposition parties have urged the No Tae-u administration to cancel or call off massive projects, suspecting that the administration's hasty push of the projects may have been prompted by December presidential election considerations.

The Democratic Party [DP] issued a statement demanding the scrapping of such expensive projects as the introduction of a high-speed railroad system between Seoul and Pusan, construction of an international airport on Yongjong Island off Inchon and a license for another mobile communications company.

"The No administration should not push ahead with the projects in its final days but delay the work till after the next government is sworn in even if feasibility studies proved they will be economic and positive," Rep. Chang Sok-hwa, spokesman of the main opposition party said in the statement.

DP chairman Kim Tae-chung earlier objected to the construction of the Seoul-Pusan high-speed railroad and maintained that the project should be replaced with the construction of expressways between the two largest cities.

DP officials were particularly concerned over the possibility that the ruling camp might seek to raise huge amounts of money for the presidential election by offering the contracts for the multimillion-dollar projects.

The United People's Party reacted similarly to the government projects on the occasion of the formal start of civil engineering work on the Chonan-Asan, Chungchong-namto, section of the advanced railroad system with President No pressing the button in a ceremony Tuesday.

"We cannot understand why President No is pushing the projects so hard despite strong objections even from his own administration at a time when his term is running out and the economy is tumbling," spokesman Cho Sun-hwan said in a comment.

The UPP, whose dazzling advertisements about its platform and policies enabled it to surge as the third party in the March 24 Assembly elections just one and a half months after its birth, placed front-page ads in most of the vernacular newspapers yesterday opposing the projects.

Titled, "A good government has to weigh the priority of projects," the ads worried that the "superlarge" projects, heavily dependent on foreign capital and technology, might push the Korean market into the hands of foreigners.

"Suspicions are heaped like a mountain as the administration is making haste in ordering the projects ahead of a presidential election," the ads said.

President No Orders More Funds for Banks

SK0207044592 Seoul THE KOREA TIMES in English 2 Jul 92 p 1

[Text] President No Tae-u yesterday told Finance Minister Yi Yong-man to make more funds available for banks to discount commercial bills received by small manufacturing firms in payment for the sale of their goods.

No handed down the instruction, which would greatly help ease the current money crunch felt by small industrial companies, at a joint meeting of economic administrators and businessmen at Chongwadae to discuss how to enhance industrial competitiveness.

The government raised the discount rates ceiling last week, but not enough, No added.

With regard to credit guarantees for small firms, No said that the government should study the possibility of making more money available to institutions providing credit guarantees.

He also directed Deputy Premier-Economic Planning Minister Choe Kak-kyu and Minister Yi to weigh plans to have secondary banking institutions make compulsory contributions to guarantee institutions.

The President, having been asked by a businessman to take special measures for the increase in bank loans without security, told Minister Yi to work out positive steps to that effect.

The meeting was attended by some 250 business and labor leaders and representatives of political and civil organizations as well as relevant government ministers.

During the two-hour-long session, No told Trade-Industry Minister Han Pong-su to launch an intensive campaign to get big business firms to buy home-made products.

He noted, "domestic companies have often turned away from locally manufactured goods as a result of extensive efforts to develop technology."

"The government is required to work out appropriate steps to prompt the purchase of home-made products and also plans for the relief of local firms suffering from a dumping spree by foreign firms," the President stressed.

No directed related ministers such as the science-technology minister to check if funds for technology development have not been diverted.

Referring to officialdom, No demanded ministers create a climate in which public servants will resort to the peace-at-any-price principle and opportunism cannot survive.

The President also asked businessmen to "make efforts to develop technology and exploit new markets in the field of the environment."

"A frugality movement must be launched by economic organizations with business executives setting the example," he stressed.

Government Not Happy With Japan Trade Agreement

SK0207052892 Seoul THE KOREA TIMES in English 2 Jul 92 p 8

[By staff reporter Choe Won-sok]

[Text] The Korea-Japan agreement on a long-festering joint action program to redress their ever-widening trade imbalance in favor of Tokyo is a far cry from satisfying Seoul.

The program is the substantiation of an agreement between the two countries reached in a summit between President No Tae-u and Japanese Prime Minister Kiichi Miyazawa held in Seoul in January this year.

The highlight of the action program is the establishment of an industrial and technological cooperation foundation on a private level in Tokyo before the end of this year.

The foundation, which is designed to facilitate the transfer of Japan's high technology to Korea, will be created with 2 billion Japanese yen evenly shared by the private business circles of the two countries.

The cost of its annual projects will be covered by 1.3 million yen which breaks down to an 1 million yen interest on its fund and 12 million yen equally supplied by the Korean and Japanese governments.

Its expenditure will be mostly used for technological training of Korean workers in Japan and invitation of Japanese technology experts to Korea.

But the foundation is far from Korea's intention which sought to set up on a government level with $200 million (26 billion yen)—$150 million provided by the Japanese government and the remaining $50 million by the Korean government.

From the start, the Japanese government opposed the creation of the foundation as pushed by the Korean government under the pretext that it can not provide $150 million and the transfer of technology should be realized between enterprises in the two countries strictly on a private level.

In exchange for the establishment of the "unsatisfactory" foundation, the Korean government gave away major concessions to Japan.

Specifically, Japanese general trading companies operating in Korea will be able to freely export throughout the world on condition that they set up their own incorporated firms in Korea.

The Korean government will gradually issue export licenses to them. But they will be prohibited from importing under any circumstances.

At present, 21 Japanese general trading companies are operating in Korea with the establishment of branch offices. They are engaged in importing and exporting upon the request of Korean enterprises, mostly small and medium sized business concerns.

Another major concession is the start of negotiations with Tokyo from this month over the issue of intellectual property rights as the Japanese government has consistently called upon Korea to protect its rights on an equal footing with the protection of U.S.'s and EC's rights. The negotiations are scheduled to be completed by the end of this year likely agreeing to the Japanese demand.

In the action program, the Japanese government assured Korea that it will allow Korean construction companies to take part in its public projects in case they undertook construction projects in third countries.

But the Japanese government turned down Korea's call to immediately lower customs duties levied on 16 major Korean products including textiles and footwear from the present 17 percent on the average to half of that. It instead said that the issue could be discussed in accordance with the progress of the Uruguay Round of multilateral trade negotiations.

Citing the less than expected content in the action program, many business experts are negative on a full-swing transfer of Japanese high technology to Korean and predict that the bilateral trade imbalance would further widen in the years to come.

Last year, Korea suffered an all-time high trade deficit of $8 billion with Japan. The figure accounted for more than 90 percent of Korea's highest global trade setback of $9.655 billion.

Trade Ministry Perplexed by Ongoing Trade Deficit

SK0207051792 Seoul THE KOREA TIMES in English 2 Jul 92 p 8

[Text] Korea suffered a $215 million trade deficit in June to continue its shortfall march for six months in a row since the start of this year despite a steady increase in exports. It was the first time that Korea experienced trade setbacks for the first six months of a year.

The red figure in June deeply perplexed the Trade-Industry Ministry which initially predicted a surplus in consideration of enterprises' pitched efforts in the past to expand their exports in order to win the government's citations at the end of every year.

According to an interim tally by the ministry, exports in June amounted to $7.039 billion on a customs clearance basis. The figure showed a 5.7 percent increase over the same month of last year. Imports increased 9 percent to $7.169 billion.

The ministry attributed the trade deficit last month to a $150 million increase in the oil bill higher than expected due to the imposition of levies on oil oil importers and the purchase of a commercial aircraft worth $130 million by Korean Air which was scheduled to be imported in September.

The ministry initially forecast a $100 million-200 million trade surplus for last month.

In June, exports of semiconductors, automobiles, chemicals, containers, fabrics and general machinery were brisk, while those of household electronic appliances and industrial electronics showed signs of recovery.

But petrochemicals, footwear, toys, textiles, ships and agricultural and fishery goods continued to decline.

Exports to China, the Republic of China, Southeast Asian nations, Latin America and other developing countries sharply increased against a persisting decline in shipments to the United States, Japan and the 12-member European Community.

Meanwhile, imports were led by crude oil, power-generating facilities, aircraft, precision machinery and semi-conductors with those of raw materials decreasing.

Imports from the United States and Japan continued to slide, while those from China and Southeast Asian countries markedly expanded.

The aggregate trade deficit in the January-June period amounted to $4.958 billion, down $1.334 billion from the $6.291 billion registered in the corresponding period of last year.

Specifically, exports rose as much as 8.3 percent over a year ago to $36.701 billion and imports increased a mere 3.7 percent to $41.659 billion.

The ministry predicted that exports in the second half of the year would increase 11-14 percent over the year before to $42.3 billion-43.3 billion and imports 9-11 percent to $45 billion-46- billion.

It also forecast that exports throughout the year would rise 10- 11 percent to $79 billion-80 billion and imports 6-7 percent to $86.5 billion-87.5 billion, thereby bringing the trade deficit to $7 billion-8 billion compared with last year's highest shortfall of $9.655 billion.

According to the government's economic plan for this year, the trade deficit is set at $7.5 billion with $81 billion in exports and $90.5 billion in imports.

Steel Exports To Suffer From Anti-Dumping Suits

SK0207052592 Seoul THE KOREA HERALD in English 2 Jul 92 p 8

[Text] Korea's steel exports to the United States are likely to face serious difficulties as major American steelmakers have filed antidumping suits against foreign products.

The Korea Steel Pipe Association said yesterday that the top six American steelmakers Tuesday filed antidumping lawsuits with the U.S. administration against some 80 steel products imported from 20 foreign countries, including Korea, the European Community [EC], Mexico and Canada.

The six steelmakers—USX Corp., Bethlehem Steel Corp., LTV Corp., In-land Steel Industries Inc., Armco Inc. and National Steel, a unit of Japan's NKK Corp., charged foreign producers with dumping—selling steel below their home-market prices—and using unfair subsidies.

Among the products the U.S. steelmakers filed suit against are hot coil, cold rolled stainless steel sheets, electric steel sheets, and plated steel sheets.

Korea's exports of those goods to the United States now account for about 15 percent of its total shipments of steel products to the United States.

Under these circumstances, Korea's exports of steel goods to the United States are expected to fall significantly in the future, a KSPA [Korea Steel Pipe Association] official said.

The official also expressed regret over the U.S. steelmakers' action, saying that "the one-sided antidumping suits might shift world trade from a free-trade to a protective trade system."

Steelmakers Reducing Manpower

SK0207065392 Seoul YONHAP in English 0557 GMT 2 Jul 92

[Text] Seoul, July 2 (YONHAP)—South Korean steelmakers, striving against a flood of anti-dumping suits filed by U.S. steel firms and the international steel market slump, are reducing their manpower in an effort to rationalize management, industry sources said Thursday.

Pohang Iron and Steel Co. (Posco), Donbu Steel Co., Kangwon Industrial Co. and other companies are all cutting or freezing their employment levels, the sources said.

Posco has embarked on a personnel rationalization program and will reduce the number of employees outside the production line by 10 percent, including a 5-percent natural attrition, to 24,000 employees by the end of the year, according to the sources.

Donbu, to promote personnel efficiency, is letting its employees undergo refresher courses. It sent 39 people to Sogang University last month and another 40 are to go in the second half, the sources said.

Kangwon will cut 30 percent of its workers this year despite expansion of its steel business.

Other steel companies, including Yeonhap Steel Co., are following the same pattern of personnel rationalization.

Daewoo To Use Russian Aviation Technology

SK0107141292 Seoul MAEIL KYONGJE SINMUN in Korean 1 Jul 92 p 12

[Text] The Daewoo Heavy Industry Company is actively working to introduce aviation technology from Russia.

Along with the work to promote small helicopters, the Daewoo Heavy Industry Company, which is producing and supplying various airplane parts, is also promoting the introduction of various airplane technologies from Russia. For example, recently the Daewoo Heavy Industry Company concluded a contract with Russia's Hydromash Company—a world-famous company in landing gear production—to jointly develop landing gears.

Landing gear technology is possessed only by some advanced Western countries, including the United States, the United Kingdom, and France. These countries are avoiding transferring this kind of technology to other countries. It was decided that Russia will transfer this technology to Daewoo in the form of joint development.

Over the next three years, the Daewoo Heavy Industry Company and the Hydromash Company will jointly supply domestically more highly efficient landing gears than the existing ones. They also plan to export them in the future.

It was decided that the technology to be obtained through the joint development of landing gears will be jointly possessed by both companies.

Before concluding the contract for joint development of landing gears, the Daewoo Heavy Industry Company agreed to develop carbon carbon brake discs with Russia's Niigrafit Company and to jointly development multipurpose pilotless helicopters with the Kamov Company. As soon as the contracts were concluded, the Daewoo Heavy Industry Company and these two companies started the work to develop these technologies. The carbon carbon brake disc is a special disc which endures high temperatures and high friction when the airplane is landing. Advanced countries are altogether avoiding transferring this kind of technology to other countries.

* Visit to Najin-Sonbong Free Trade Zone Detailed

922C0157A Seoul HANGYORE SINMUN in Korean 7, 8, 9 May 92

[Article by Kyongbuk University Professor Kim Yongho describing his visit to the North Korean special economic zone: "A Trip to the Najin-Sonbong Free Trade Zone"]

[7 May 92 p 5]

[Text] **"South Korean Investment Eagerly Awaited as 'Top Priority'"**

In December last year, North Korea designated a 621 square-kilometer area centering on Najin and Sonbong ports on the East Sea as a free economic trade zone.

A Najin-Sonbong free trade zone, which will become both a symbol and a test case of Pyongyang's open economic line, is making its debut for us to see. Following is the first in series of an article by Prof. Kim Yong-ho, who took part in a fact-finding tour of the zone from 29 April through 4 May as a member of a South Korean private-sector delegation. Prof. Kim also participated in a Pyongyang international conference on a Tumen River development project. (Editor's note)

In Pyongyang Airport, I, setting foot on the North Korean soil for the first time, pledged myself to "be free of any prejudices." I wished to see North Korea with my own eyes, grasping facts as they are. I took out packs of foreign-made cigarettes from my bag and dumped them in a litter box. I had heard that foreign-made cigarettes could make a good gift because people in the North liked them. Now, I was ashamed that I brought them with me. All I wanted now was to show the truth of my own and see the truth about the North.

It was just the plain ground but I felt my legs trembling. The same old sky looked unusually blue. We were warmly welcomed by guides. They accompanied us the way to the Entry counter. After brief formalities there, we were led to Koryo Hotel in downtown Pyongyang. In the hotel room with a splendid view, I found a color television set with a "Chindallae [Azalea]" trademark on it standing in a corner. I felt good thinking that North Korea must be pretty good in making television. I took a closer look to find that it was a Japanese Toshiba product, however. Next to it was a "Taedong River" brand refrigerator. I examined it, hoping to find a North Korean product. But the result was the same.

In my view, Korea as part of Northeast Asia is in the third transition period in its history. The first transitional period was from the 1894 Sino-Japanese War toward the end of the Old Korea to the 1904 Russo-Japanese War. It was in this period that the basic destiny of Korea was shaped for the first half of the 20th century. The second period of transition was from the Second World War through the end of the Korean War, which basically destined Korea to be a divided nation for the latter half of the 20th century. Thus, Korea is currently in the third transition period. In my view, this period, which is likely to continue for several more years, will probably determine the destiny of North and South Korea for the 21st century. Therefore, this is the time when a new paradigm is urgently needed for both sides to overcome difficulties in this third period of transition.

I had a fact-finding tour of the Tumen River triangle zone of Chongjin, Najin and Sonbong for four days beginning 29 April. It has been opened to South Koreans for the first time. At these ports, top local officials personally briefed us in detail of future development plans. When we got off at the Najin railway station after an 18-hour train ride from Pyongyang, we saw—to our surprise—the same tourist buses that we used in Pyongyang waiting for us there.

The earnestness of North Korean authorities was impressive. But, at the same time, looking at those buses they had to bring all the way from Pyongyang to Najin for us, I felt that I had a glimpse of the inefficiency of socialism.

Heated debates continued day and night both in hotel rooms in Pyongyang and aboard the train. In a two-day symposium at the Cultural Palace of the People and in several rounds of dialogues with Kim Tal-hyon, vice premier, and Kim Chong-u, chairman of the External Economic Cooperation Committee, we found the Najin-Sonbong special economic zone indicative of a new economic direction pursued by North Korea. Asked how he viewed South Korean investments in this zone, Vice Premier Kim Tal-hyon responded unhesitatingly:

"We are of the same nation. We welcome South Korea's investment with open arms. We expect that South Korean businesses will come and make their investments before businesses of other countries do."

Compared with indirect expressions by Pyongyang's technocrats in general—such as "anybody can invest freely" and "we do not discriminate against anybody"—his remark was a giant step in candor. Not only that but he also made clear that South Korea is expected to be the first to invest—as if to put a pressure on those from other countries in the audience, Japanese in particular. Chairman Kim Chong-u was equally eager to demonstrate Pyongyang's willingness for an economic opening-up. He declared that North Korea will open an economic cooperation era with South Korea through the port of Nampo on the West Sea and the Najin-Sonbong free trade zone on the East Sea. According to him, a joint venture program with Daewoo is already under way at Nampo. He even appeared to be alluding to his concern about possible barriers on the South Korean side.

It is most important that we ensure that North-South cooperation precede North Korea-Japan cooperation if we are to pave the way for, among other things, peace and prosperity for North and South Korea in the third Northeast Asia transition period. From this standpoint, the posture of Pyongyang's economic reform team may be viewed favorably.

At the same time, in bringing the third transition period to a desirable conclusion, it is of critical importance whether Japan would first apologize for its past and pay reparations to North Korea, or it would just get on with cooperation programs with North Korea without first offering an apology but simply using the same claim format as it did with South Korea in the Treaty on Basic

Relations. In this context, contents of a North Korea-Japan basic relations treaty which is expected to be signed soon would be extremely important.

Against a Japanese attempt to sign a treaty with North Korea within the framework laid by the ROK-Japan Basic Relations Treaty, we should for our part point up controversial provisions in the ROK-Japan treaty to help the North over its treaty with Japan. By doing so, we could find a way to an eventual revision of the ROK-Japan treaty. With this in mind, I find it a positive sign that the North's director of the Bureau of U.S. and Japan Affairs emphatically stated that there can be absolutely no compromise over the fundamental issues in signing a basic relations treaty with Japan. In fact, in the course of negotiations with Japan, North Korea had been shaky with its original tough position on occasions, but it now appears to have returned to its basic position adhering to the principles it set out with. I was assured of it during the visit.

[8 May 92 p 5]

[Text] **"Ambitious Plan for Transport-Distribution Center"** There is a subtle difference between the current North Korean plan for a Najin-Sonbong free trade zone and the Tumen River development project or the Tumen River Golden Triangle project being pressed by the United Nations Development Plan (UNDP) and Chinese authorities.

The Tumen River development project is somewhat focused on helping China, in particular Jilin and Heilongjiang provinces, find an outlet to the East Sea via the Tumen River. It seeks to develop Hunchun, a Yanbian Korean autonomous region, and in particular the Pangchon area, where the borders with North Korea and Russia come together, into a port. The project thus involves the problem of passage through approximately 15 kilometers of the lower Tumen between North Korea and Russia, which is the so-called Tumen River passage issue.

We visited the area along the lower Tumen to find it outstandingly scenic. We felt it even more reasonable to save it for tourism or environmental protection rather than build factories and an industrial center there. North Korea was clearly opposed to granting passage through that part of the river. Guides said that "it is a matter of sovereignty and we will never agree to granting the passage." Vice Premier Kim Tal-hyon, answering questions, also emphasized that "we have received no request about the Tumen River passage in the past. There can be no such request in the future either." These remarks show Pyongyang's resolute position.

In fact, we had heard many reports in the past alleging that North Korea appeared to have yielded the right of passage already. Speculating on reasons, they cited North Korea's dependence on China for oil. After all those reports, I found the resolute statement of position by the North Korean side very impressive.

Needless to say, it is a fact that Pyongyang's opposition to the Tumen River project is not merely prompted by its interests in environmental conservation or the protection of sovereignty but involves economic competition as a factor.

In other words, should China's Hunchun region be directly linked to the East Sea through the Tumen River project, it could be a threat by all means against the relative economic value of North Korea's Chongjin-Najin-Sonbong region.

As a result, the North Korean side, after reordering its priorities, announced the "Najin-Sonbong free economic trade zone" plan. It is a grand conception seeking to create a free trade zone in the Najin-Sonbong area and develop it into a transport and distribution center linked to Russia and China.

Meanwhile, as for Russia, it is as negative toward the Tumen project. Reflecting its position, Director Aliyev of the Far East Economic and Marine Development Institute of the Russian Academy of Sciences, who represented Russia at the Pyongyang conference, explained a Great Vladivostok Plan, referring to Moscow being wary of foreign investment made in the Tumen project, not in the Vladivostok plan, and stressing that adjustment of understanding is needed more than anything else.

While touring the Tumen River triangle zone, I clearly felt that different nations are coming into this otherwise peaceful scenic spot with different interests.

In the middle of the Tumen River railway bridge between Tuman-kang Station and (Poshiet) Station on the Russian side, exposed to high winds blowing over the river, someone in the group, looking out at Russian-style buildings ahead and a Chinese territorial sign standing atop a mountain range far to the left, sid something about "a triangle cold war zone" of development, to the laughter of the group. While the Hunchun-Sonbong-(Poshiet) small triangle and the Yanbian-Chongjin-Vladivostok great triangle plans unveiled the conflicting interests of those involved, it was felt that adjustments between them would by no means be an easy task.

It was early in the morning when we arrived in Najin Station after an 18-hour train ride.

Najin Port is directly linked to Russia's Siberian railway and a Chinese rail-line, making it easy for goods arriving by sea to be relayed to them. It is situated at a point closest to EC countries in forwarding shipments through the Siberian and Chinese railway systems.

Geographically, it has the potential of becoming a Hong Kong on the East Sea. Its harbor conditions also appeared to be excellent. Japanese experts who had visited Chongjin and Sonbong with us were also of the opinion that Najin is better than them as a port. North Korea has a two-phase plan to expand Najin into a port capable of handling 30 million tons of goods annually. At the same time, it is planning to expand the railway network too.

North Korea plans to invest approximately $4.2 billion in the 621-square-kilometer Najin-Sonbong free trade zone project. The present population of this area is 120,000 but officials assured that there will be no problem in bringing in additional work forces in the future.

To attract foreign investments, North Korea will guarantee tax breaks and the freedom of travel. The monthly labor cost is estimated at about $70 to $80 per worker, they explained. It is a wage level lower than those in the Chinese special economic zones; furthermore, the North Korean work force is high in educational level and well trained and appears to be highly productive.

Under the plan, Chongjin City is not included in the free trade zone; only its port functions as a free trade port for that zone.

Seen in this light, the free trade zone is more like a transport relay center, in contrast to Chinese special economic zones that are more characterized as production bases. When functioning as a transport center rather than a production base, the port's export-import volume is determined exclusively by outside factors. There were virtually no discussions of technology transfer or accumulation of know-how, a phenomenon rather strange but reflecting the weakness of the project as a production base. I came to think that it could be even better to develop it as a base for putting Russian military technologies to commercial use, thus building it into a production base and leading it to the expansion of Najin and Sonbong ports. In fact, it appeared that Chongjin, Najin and Sonbong ports are currently operating at less than 30% of capacity. Improving the operating rates seemed to be more urgent than expanding their facilities.

North Korea is planning special legislation to push the development of the Najin-Sonbong area as a special zone of its socialist system. In my view, however, it could be more important for Pyongyang to develop a reformist perspective, retaining the project as part of its system and using it to expand the socialist commodity economy.

[9 May 92 p 5]

[Text] **"Admit to Economic Difficulties ... And Are Out for Rebuilding"**

While it appears to be true that the North Korean economy is beset with serious difficulties, grasping facts about it is not an easy thing.

First of all, there are no reliable statistics available. Authorities have published virtually no economic statistics since 1984. So much so, even Russian, Chinese and Japanese scholars largely rely on statistical data on North Korea prepared by the South Korean Ministry of National Unification Board. Economic articles by North Korean scholars are full of abstract theories based on quotes from President Kim Il-song. Consequently, as they say, facts about the North Korean economy are best known only to those who visited North Korea.

In that sense, our eight-day visit to North Korea, in particular the tour of Chongjin, Najin, Sonbong and the Tumen River triangle spot proved to be a great help to my research of the North Korean economy.

Through the windows of the running train, I photographed about 100 North Korean villages as samples and, as a result, found that houses with television antennas were approximately half the number of chimneys.

Many houses had two or three chimneys each, indicating that as many families are living in the same house. In many cases, it appeared that a whole family lives in a single-room house with no porch.

Assuming that one antenna serves two or three households, one can conclude that the rate of television viewing is significantly high in North Korea. Someone said that 70% to 80% of the households have television sets. I asked what type of sets they are. Mostly black-and-white, he replied.

I was surprised to find that almost every house in the countryside had piles of firewood under the eaves, showing that the rural life still relies on firewood.

Consequently, one can see few trees on mountains. The slopes of fairly high mountains were turned into the so-called "terraced fields," which would easily be washed away in heavy rains. Brooks were seen piled with yellow mud. Drought also causes a problem for the terraced fields. With no irrigation facilities available, farming becomes difficult when there is no rain. I said: "Raining too much means a trouble, and no raining also means a trouble.... It should rain just the right amount of it. So, there seems to be no alternative but to literally trust and leave it to Heaven." One of the North Korean guides gave a nod with a serious look on his face.

Plains were also covered by paddy fields and other plowed fields but irrigation facilities were scarce. In the absence of adequate irrigation facilities, farming has no alternative but to rely on rainfalls. This could be the reason why North Korea has crop failures every year.

Not too many people were working on the vast plains. In the fields where barley, wheat or vegetables should be growing, we saw nothing on more than 70% of them. Most fields appeared left unattended after plowing.

Meanwhile, we saw few vinyl houses. We saw parts of fields covered by vinyl sheets, although they were rare cases. It appeared that farming using the vinyl-house technique has not yet been popularized. A Japanese agricultural economist in the group, looking out the window, said that "I see so many pebbles in the fields. It is a strange sight to me."

What was noteworthy was that yards and adjacent spaces around rural homes were thoroughly cultivated and used as "kitchen gardens." Farmers have no idea about the conventional yard or garden from the beginning; instead, family vegetable gardens were seen everywhere. We heard that products from those plots entirely belong to the family and that they can even be sold at rural markets. Most of those plots were surrounded with long bamboo sticks and I asked a guide what they were for. "They are for peanuts or other creeping crops to climb," he answered.

In contrast to plains where few crop-covered fields were seen, vegetables or the like were growing briskly in the family plots and they appeared to be cared for more carefully. I met Prof. Pak Tong-kun, a noted North Korean economist, in the train.

I said to him that "it seems to me that those kitchen gardens represent an area of the North's socialist system practicing the economic management concept most effectively." "Quantitatively, they are not much," he responded, with a sad, suggestive smile. "I see no cars at all on the roads," I continued, "and all I can see on the plains are a few oxcarts." "It must be because of an energy shortage more than anything else," the North Korean professor said. In fact, the number of cars I saw during the three days and three nights from the train and the bus was not more than five or six altogether. Even with bicycles, we did not see too many of them.

In rural villages, it seemed that they had no idea of what a suburban bus service is all about from the beginning. Apparently, means of transportation were extremely underdeveloped. Under such circumstances, it is highly possible that rural villages will be degraded to self-supporting units.

In rebuilding the North Korean economy, it is indeed an urgent requirement to create a Najin-Sonbong free trade zone and bring in investments from outside, but equally urgent is the task of pushing social and economic reforms from inside. This was a strong feeling that I could not put away from my mind. Without properly coordinating inside and outside factors, North Korea might perhaps be unable to find a new breakthrough.

Whenever we passed through a railway station, we were impressed with the devoted work attitude of station workers. The conductress of our train was as sincere in her service for passengers. She would check the compartments regularly, wiping the windows and putting things in order. Through them, we got a glimpse of their work ethics.

To my question about her wage, the conductress said he gets about 200 won a month. A North Korean economist accompanying us explained: "Their wages are higher than ours, because their work involves more and harder labor. For instance, miners get about 300 won a month, which is an equivalent of a cabinet minister's pay." I felt that I caught a glimpse of the North Korean socialist "logic of labor."

After the Pyongyang conference was over, Vice Premier Kim Tal-hyon officially admitted to difficulties facing the North Korean economy, for the first time. "It is a fact that economically, we are in a difficult situation. It is not a case of a collapse or a bankruptcy, however" he said.

Someone asked him, "What is the North's GNP? Do you not think that the North should first disclose various economic statistics if it wants to set the stage for foreign investment?"

Vice Premier Kim was tactful in dodging the critical question, saying "How could I remember all these statistics? You will have to ask that to our statisticians." But he apparently could not dodge the crisis itself of the North Korean economy. He said that Pyongyang had applied for membership in the Asian Development Bank [ADB]; however, for ADB membership, it is a mandatory requirement that various economic statistics are disclosed.

The North Korean political system sees a heavy burden in the economic crisis, and for overcoming the crisis a broad range of economic reforms are required. But such economic reforms in return could plunge the North's present political system into a crisis.

How will North Korea cross this log bridge of vicious circles? It has become an urgent need for both the North and the South to change their respective paradigms, and I believe that the change can be made by both sides joining hands together.

* Economic Relationship With China Examined

* PRC Trade Official Interviewed

922C0173A Seoul CHUGAN CHOSON in Korean 7 Jun 92 pp 32-35

[By reporter Kim Ki-chon: "The Economies of the ROK and the PRC Are in a Mutually Complementary Relationship"]

[Text] "Since China and Korea agreed to set up their trade missions in each other's capitals in 1991, they have exerted active efforts to promote economic cooperation and exchange, thereby effecting rapid progress in the relationship between the two countries. In particular, with a marked strengthening and development in the field of commodity trade, I would say that the economic exchange between the two countries is now on the right track."

That was the optimistic view expressed by Xu Dayou, representative of the Seoul Office of the Chinese Chamber of International Commerce (CCOIC), during his 23 May interview by this reporter on the outlook for economic interchange between the two countries. The interview took place in his office on the third floor of the Hyundai Building in Mugyo-tong, Seoul. Probably because this was his first interview with a Korean reporter since he assumed his post as the first representative of the CCOIC Seoul Office in March 1991, he was very cautious and seemed wary in choosing his words, however.

Xu's official title is chief of the Office of the CCOIC Representative in Seoul. As a matter of form, the CCOIC is not a government agency, but a private organization. Currently, the relationship between Korea and China is not beyond the stage where the Korea Trade Promotion Corporation (KOTRA) and CCOIC have their offices in Beijing and Seoul, respectively. In other words, Xu is the private citizen who represents the office of the Chinese trade representative established at a private level, pending the establishment of formal diplomatic relations between the two countries. Probably for this reason, he took pains during the interview to avoid expressions which might be interpreted as an official view of the Chinese Government, while often prefacing his remarks with "this is the opinion of the CCOIC."

It was in this same vein that he stressed upon his arrival in Seoul last March that "The CCOIC office in Seoul and the KOTRA office in Beijing are strictly private organizations in character and name." Despite his emphasis on his position as the representative of a private organization, he seemed to be proud of the role the CCOIC has played for the past one year since its inception. He said: "The CCOIC office has done much: it has offered counselling on matters relating to trade and investment to Korean businessmen who wish to operate in China and while accommodating personnel interchange between the two countries." He added, "In my opinion, the CCOIC office has played a major role in promoting economic exchange and trade activities between the two countries."

Xu met Korean corespondents in Hong Kong en route to Seoul last year to assume his post, during which he said that "the scale of bilateral trade between the two countries will reach $10 billion in the next five years." He continues to be optimistic, and his estimate does not seem unreasonable when judged by the current trend. Although establishment of formal diplomatic relations remains a pending issue, measures to bolster economic exchange have been taken one after another since the exchange of the offices of trade representatives.

Xu particularly pointed out that the conclusion of the trade agreement and the signing of the investment guaranty agreement marked a great success. He said that "in cooperation with KOTRA and other interested officials, we signed these two major agreements this year," adding that "with this, we have laid a solid foundation for the promotion of economic and trade relations between our two countries." Touching on the necessity of signing additional agreements, including one on preventing double taxation, he said that "reference was already made to this issue when the two sides were negotiating the trade agreement." He stated that "the CCOIC hopes that the remaining economic agreements will be concluded."

The main contents of the trade agreement which went into effect early this February include provisions on giving most-favored-nation treatment to each other, encouraging trade exhibitions, and solving business disputes arising from trade friction. The signing of the agreement, despite its brief content, has resulted in the shift in the principal form of trade between the two countries from indirect trade via Hong Kong to direct trade beginning this year. In addition, the signing of the investment guaranty agreement has opened the way for providing legal protection for Korean firms investing in China.

Besides these visible results of the signed agreements, Xu entertained high hopes on the Chinese trade exhibition scheduled to be held from 26 May through 1 June at Korea Exhibition Center (KOEX). This exhibition sponsored by the CCOIC is in line with the provision of the trade agreement on encouraging trade exhibitions. Together with the Korean product exhibition held recently in Beijing, it is one of the first twin events formally promoted by the two countries. In fact, most probably one of the reasons Xu, who had taken great pains to shun contacts with the Korean press since he assumed his post, decided to give this interview is that he wished to publicize the Chinese trade exhibition widely.

Xu proudly said that "the coming Chinese exhibition will be participated in by more than 160 export and import firms in 27 Chinese provinces and cities under the direct control of the central government," adding that "the entries will total several thousand including automobiles, machinery, electric and electronic products, textiles and fibers, medicines, health products, chemicals, and even some high-tech products." "I hope," he said, "besides economic and trade personages, many other Korean citizens will also visit the exhibition." He also gave much detailed information of the exhibition, such as that the floor space of the exhibition will be 5,000 square meters and that more than 400 Chinese will attend. Xu declared that "the coming exhibition will serve as an important occasion for the promotion of economic exchange, including trade, between the two countries, as Korean people have an opportunity to see Chinese products with their own eyes and appraise them directly."

Despite their rapid pace of progress, Sino-Korean exchanges have some problems. First of all, Korea's trade deficit with China last year exceeded $1 billion, with the size of the deficit swelling each year. What is more, cheap Chinese handicraft and farm products have been imported in great quantities, often to the detriment of related sectors in our country.

Xu was optimistic about this issue when he said that "as far as their whole economic structures are concerned, the two countries complement each other," adding that "this is proven by the contents of the commodities traded between the two countries." Chinese export goods in the world market include coal, petroleum, corn, cotton, cement, steel and other building materials, basic chemical products, and farm and fishery products. According to Xu's explanation, these items are needed in the development of Korea or in the daily life of its people.

When asked about the trade imbalance issue, Xu replied that "China's foreign trade policy is to seek a balance between exports and imports in principle." "China," he said, "is trying to expand exports not only for the purpose of accumulating foreign exchanges but also for the purpose of paying off its foreign debts and importing more foreign goods." "In the final analysis," said he, "China is expanding exports in order to increase its capacity to import." By his explanation, though somewhat vague, he meant to say that it is desirable for China to seek balance through the expansion of trade rather than arbitrarily try to curb either export or import in order to achieve balance.

Apparently finding his explanation insufficient, Xu added that "with regard to the trade imbalance issue raided by the Korean side, we, too, are paying attention to it" and that "China hopes to continue to expand the scale of trade by looking for goods which are in demand." "Above all," he said, "it is important to expand the scope of exchanges and the depth of mutual understanding between the two countries."

During his recent trip to China, Foreign Minister Yi Sang-ok was told by Chinese Premier Li Peng in essence that "despite the geographic propinquity of the two countries, we do not know much about Korea." When Xu was stressing the importance of promoting mutual understanding, this reporter referred to Premier Li Peng's aforementioned remark and asked Xu how much the two countries understand each other. Xu looked perplexed by my question, probably because what he had in mind above all was the thought that he was not in a position to speak for the Chinese Government.

Xu gave his answer after a long pause, dealing with the general principle. He said: "The CCOIC position is that in promoting economic cooperation and exchange between the two countries, it is necessary to increase mutual understanding through many-sided exchanges." He said that "the forthcoming trade exhibition is not meant as a mere trade activity, but is intended for the promotion of mutual understanding," adding that "it is important, first of all, to increase exchange of visits not only between the high-ranking personages but also between personages of all strata in the two countries."

During the interview, Xu expressed his opinion, brief though, when the questions dealt with his official duties, but he was reluctant to give answers to questions about his personal matters, saying "you do not have to report on my personal matters, do you?" Despite the fact that he has spent over a year in a country with different customs and traditions, he gave this typical answer: "So far I have never felt any inconvenience in my daily life here." He elaborated by saying that "this was because China and Korea have similarities in so many aspects, including customs, culture, and climate." But it was difficult to take these answers at their face value.

Asked about what was the foremost impression he had while living in Korea for the past one year or so, Xu mentioned his visit to Korean firms. He said: "In the past I have visited various places in Korea, mainly the factories of large corporations and small and medium enterprises.... The surroundings of the plants were clean and the work shops were kept in order; and what is more, a strict discipline was observed, and the quality of the goods was outstanding, indicating that the factories were managed well." He also said that he was quite impressed by the efforts being made in each factory to develop new technologies on its own.

Xu had stayed in a hotel in Seoul for a while after he arrived in Seoul last year. But he now lives in a rented single-family house in Itaewon with his wife. He has a son and a daughter in China, the son working in the Ministry of Foreign Economic Relations and Trade, the daughter working in a trading firm. Xu was born in Shanghai in 1937 and majored in the Arabic language in the Department of the Eastern Languages and Culture, the Beijing University. After graduating from the university, he served in the Chinese embassies in the Middle East, including Yemen, Egypt, Amman, and Sudan, and subsequently served as director of the Office of Protocol, the Ministry of Foreign Economic Relations and Trade, and vice general manager of China Maritime Export Corporation. While serving as vice chairman of the CCOIC, he was dispatched to Seoul last year.

Over 20 Chinese are working in the Chinese trade mission. They still stay in a hotel near their office in Seoul as a group. They not only spend their working hours together in their office but also spend their meal times together, eating together in the Chinese restaurant inside the hotel. They lead a solitary life with very little contact with the outside world. Speaking of their meals, their food is prepared by the cook who accompanied them to Seoul from China.

When he was asked about a string of questions concerning his private matters, he asked for the termination of the interview because he had much work to do in preparation for th trade exhibition and because somebody was waiting to see him. At the end of the interview, he said, "I wish to take this opportunity to express my gratitude to the Korean businessmen who have assisted us in the work of our trade mission."

* KOTRA Urges Study of PRC Market

922C0173B Seoul MAEIL KYONGJE SINMUN in Korean 2 June 92 p 5

[Untitled article by KOTRA President Kim Chol-su urging study of the Chinese market for a better future for Korean businesses]

[Text] The China wind is currently blowing over the world economy. Since China, formerly known as the "sleeping giant," awoke from its long slumber and flung its door open in 1979 in pursuit of reform and openness, it has been scoring an annual average growth rate of 9.6 percent in its journey to become a new economic power.

In the field of export, after making inroads in the U.S. market, the largest in the world by using their low prices as a weapon, Chinese products beat Korean products, their rival in the U.S. market. Even in the Japanese market, known for its stringent conditions for the import of foreign goods, China at last overtook Korea in export last year, thus emerging as the 12th-ranking export country in the world. In terms of imports, on the other hand, the scope of Chinese imports is much smaller than that of our county. As a result, China distinguished itself as an exporting country by recording a surplus of $8.1 billion in its trade account.

In this way China has suddenly emerged as our powerful rival who is threatening our export sector, but, at the same time, it has gradually increased its weight as our partner in economic cooperation.

In retrospect, trade between the ROK and China had a tendency to grow rapidly as China strove to expand its economic relations with foreign countries in a manner commensurate with its economic growth while spurring economic development on the basis of a pragmatic line, and this effort on the part of China was in harmony with our Northern policy.

In particular, since Korea and China established their [trade] missions in each other's capitals in 1991, not only commodity exchange but also technological cooperation has been active between the two countries, with the size of trade in that year reaching $5.8 billion, up 52 percent from the preceding year.

With legal and institutional devices on trade put in place through the effectuation of the trade agreement in 1992, trade and commercial activities between the two countries have been put on the right track for the first time, brining about progress in the improvement of trade conditions.

China's dazzling economic growth and its debut on the international arena have added momentum to strengthening economic cooperation among the countries of Northeast Asia, including the ROK and China, in the midst of the process of reorganizing the world economic order.

Under these favorable circumstances, the geographic proximity, the cultural similarities, and, in particular, the complementarity in industrial structures between Korea and China have given added impetus to expanding the horizontal division of labor between the two countries and increasing the effectiveness in allocating the world's resources as well. As a result, it may be said that the prospects for expanded trade between Korea and China are brighter than ever before.

The Sino-Korean trade agreement, which formally went into effect on 1 February, not only has made our goods more competitive as a result of the elimination of China's discrimination against our goods but also has made it possible to simplify trade procedures and lower the cost of trade as a result of the shift in the principal pattern of trade to direct transaction.

As a result, as of the end of March 1992, our exports to China made remarkable progress with their volume reaching $773 million, a whopping increase of 82.3 percent over the preceding year, spurred by the boost in the export of chemicals, steel, and other goods sensitive to tariff reductions. On the other hand, the imports totaled $940 million, up 53.7 percent. Thus, our trade balance with China this year is expected to improve sharply, and the volume of direct trade as a percentage of the total trade volume is expected to increase to 67 percent this year from 59 percent last year.

In addition, with the signing of a Sino-Korean investment agreement scheduled for 2 May, it is expected that beginning in the second half of the year, the export of equipment, parts, and raw and subsidiary materials will follow on the tail of our investment in China. As a result, the scale of trade between the two countries this year will approach $10 billion, the long hoped-for figure, and Chinas will emerge as our third principal trade partner.

As a matter of fact, as of the end of March, our investment in China increased 4.8 times in volume and 4.6 times in the number of transactions compared with the corresponding period of 1991. The scale of investment is showing a tendency to shift to large-scale investments by gradually moving away from the earlier experimental stage of investment. This drastic increase in investment will be of great help in expanding our exports to China.

Nevertheless, for our businessmen, China remains still an object of much study and scrutiny, and as far as the Chinese market is concerned, they are in the elementary stage of exploring that market.

What is needed is a thoroughgoing and accurate grasp of the Chinese people's trading practice and the peculiarities of the Chinese market.

In fact, our trade with China in the past was carried out in an unofficial way outside the pale of the planned economy of the Chinese Government. But, now that our country has been recognized as China's official trade partner, we should redouble our effort to enter the realm of the Chinese planned economy by dealing directly with Chinese import and export corporations.

At the same time, the expanded opening of the Chinese market, accompanied by China's accelerated moves for reform and openness and made in preparation for its admission to GATT, is beckoning us to China as the last promising market, given the immensity of its market, the abundance of its underground resources, and the low cost of its labor. We should work out resourceful measures to advance into that market to take advantage of these favorable conditions.

The promotion of bilateral economic cooperation between the two countries will in the long run serve as the foundation for improving their relationship. "yu su ze bu do" (meaning haste makes waste), the expression China formerly kept on repeating during our contact with it, has disappeared, with China now pushing for an early signing of a double taxation prevention agreement and fishery and aviation agreements, a move indicative of its willingness to approach us.

*North Seen More Eager To Sign Joint Statement

922C0156 Seoul TONG-A ILBO in Korean 9 May 92 p 2

[By reporter Kim Chang-hyok: "North Was More Eager To Sign North-South Joint Statement—Behind The Scene Story"]

[Text] The South and North Korean delegations attending the seventh high-level meeting convinced the people that the agreement is not just an "empty paper," by reaching an agreement in the beginning of the meeting on the establishment of the joint committee for the execution of the agreement and on the exchange of visitors on 15 August, the national liberation day.

The meeting progressed so quickly that the people suspected that everything might have been agreed in advance. In particular, by the end of the first day of the meeting, an agreement was reached on visiting older parents.

The major catalyst in the swift development was the pressure to make the South-North agreement work, according to Yi Tong-pok, spokesman for the South Korean delegation.

Although the South-North agreement was born last December and was praised as being a reunification charter, there has been virtually no development since. Thus the authority of the agreement became nothing more than an ordinary joint communique or a gentlemen's agreement.

"Some tangible projects were needed in order to restore the authority of the agreement and therefore we had to work hard to materialize the meeting," recalled one member of the South Korean delegation.

The North Korean delegation was even more anxious to achieve something. The North Korean delegation said in the car on the way to Seoul, "There will be a surprising suggestion from the North this time," according to an official attending the meeting, who said, "They suggested that the representatives' meeting be held from the first day, which is very unusual, indicating that the meeting will develop fast."

It took little time to find out that the North's "surprise suggestion" was the exchange visit of separated family members on 15 August. Since the afternoon of 5 May, the family visit was considered to be an "agreed item."

North Korean newsmen were checking around to see if the South Korean Red Cross representative was attending the reception at Hotel Lotte hosted by Prime Minister Chong Won-sik, in the evening of 5 August. After the reception, Yim Tong-won and Yi Tong-bok of the South and Choe U-chin and Song Pyong-su of the North met at Hotel Shilla, where North Korean delegations were staying, and started discussing the establishment of the joint committees to carry out the tasks of the political, military, and exchange subcommittees.

There was an initial conflict between the North's suggestion that an overall agreement be made within each subcommittee before establishing the joint committee and the South's to establish the joint committee first. After the North Korean delegations received directions from Pyongyang, the North Korean capitol, during the negotiation which lasted until 0300 in the morning of 6 May, the situation changed completely.

"Since the North indicated its intention to withdraw from its insistence on an agreement at the subcommittee level at the last minute during the third subcommittee meeting since the agreement went into effect, we felt that we need not give up insisting on establishing the joint committee first, in expectation of an oncoming change in the North's strategy," said a high-ranking South Korean delegate.

The South Korean delegation therefore suggested holding a meeting between the reprentatives and the committee chairmen from both sides and drafting the content of the agreement immediately after the first meeting on 6 May.

"They had to rush because they concluded that the four-day meeting was short for the establishment of a number of subcommittees, unlike the agreement made last year between the two countries," said an official who participated in the meeting.

The representatives' meeting between South and North Korea, which was held right after the main meeting on 6 May, proceeded very smoothly, with the agreement on establishing the three joint committees on military, exchange cooperation, and social and cultural affairs, followed by an agreement of opening a liasion office, and the final touch to the words of the agreement.

The plan for the North Korean subcommittee chairmen to visit the Kwangmyong plant of Kia Motor Company was naturally cancelled, except for North Korean Prime Minister Yon Hyong-muk.

Unlike the other subcommittees' smooth discussion, the military subcommittee had to go through rough times when negotiating the function of the subcommittee; and around 0330 in the morning of 7 May, the meeting was interrupted.

Kim Yong-chol, North Korean chairman of the military subcommittee, insisted on the establishment of the joint committee on military affairs that deals with overall nonagression issues, while abolishing the subcommittee. When Kim realized that the South would not concede its insistence on maintaining the subcommittee in order to establish mutual trust, he yelled at one of the South Korean delegates as being a "destroyer of reunification."

Right after the meeting was interrupted, each party spent some time on realigning their strategies before resuming the meeting at 0530 in the morning. They finally agreed on maintaining the subcommittee, while adding a paragraph of nonagression to the official agreement. One South Korean official said that another direction from Pyongyang made the agreement possible.

* ANSP Unveils New Communist Group Sanomaeng

922C0164A Seoul CHOSON ILBO in Korean 16 May 92 pp 23, 22

[Report on an ANSP announcement: "Sanomaeng Unveiled as an Organization of 3,500 Members, Living Communist-Like Communal Life"]

[Text] The Agency for National Security Planning [ANSP] yesterday announced that the "South Korea Socialist Workers League" (Sanomaeng) has been identified as an underground revolutionary organization with trained operatives planted in factories and colleges throughout the country that sought to topple the present government by violence at a decisive moment and to build a socialist system.

According to the ANSP announcement, 39 leaders of the organization, including Paek Tae-ung, 29, a senior of the Seoul National University school of law and chairman of the Sanomaeng Central Committee, were arrested and turned over to the prosecutor's office, while a search is under way for other key leaders and supporters. Also in progress are investigations into other underground organizations affiliated with Sanomaeng, such as Inmin Noryon [the People's Federation of Labor], Panje Minjung Chonson [the Anti-Imperialist Masses Front].

The ANSP says that Sanomaeng is the largest such organization uncovered since the Namnodang [Workers Party of South Korea] case, with more than 3,500 members operating throughout the country, even recruiting high school students and imbuing them with socialist ideologies. The ANSP, the announcement says, has obtained some 20,000 items of evidence, including 13 computers used by Sanomaeng for its membership management, 1,082 diskettes containing information on the organization's activities, 26 forged resident registration cards, and files on members.

According to the ANSP, Sanomaeng, founded by Paek Tae-ung in November 1989 as an organization dedicated to the anti-capitalist class struggle, planted more than 300 operatives in 69 factories in 16 regions, including Seoul, Pusan and Kwangju, for its interim goal of forming a "Socialist Workers Party of South Korea" by 1994. They organized secret groups called "factory teams" to incite violent strikes and political struggles.

The ANSP defines Sanomaeng as an underground organization upholding Marxism-Leninism as its ideology for revolution, and advocating the working-class-led violent struggle as the way to overthrow the present government and build socialism.

In the November, 1989, founding manifest, Sanomaeng declared that it "will revive and carry on the interrupted revolutionary socialist movement in South Korea, and live and die in the socialist revolutionary struggle."

Sanomaeng, the ANSP says, had its strategy established to attain its interim goal, which was to form a "Socialist Workers Party of South Korea" with revolutionary socialists by 1994.

Among its organizational characteristics as listed by the ANSP are: the nationwide, specialized organizational systems; the 3,500-strong highly efficient operatives posing as the second-generation successors to such first-generation South Korean socialist revolutionaries as Pak Hun-yong, Kim Sam-yong and No Un-hyong; the introduction of business-style management and control of members; the practice of communist life style under a secret communal life program; the false personation by forgery of resident registration cards and the camouflage using the names of common business firms, and the use of pseudonyms by all members.

Sanomaeng maintained files on regular members and alternate members patterned after personnel management systems of major conglomerates, including Samsung, Hyundai and Daewoo. These files were controlled by the Central Organization Bureau. Also contained in those files were the applications for membership, letters of self-introduction, letters of reference, and statements of political opinion submitted to the organization by individual members.

For organizational security, the ANSP says, Sanomaeng used 12 houses as secret offices and living quarters. Under the principle of joint production and distribution, the person on duty would receive 20,000 won [W] daily to buy rice and other materials for next day's cooking for the team; individuals would receive W30,000 to W50,000 per week for personal necessities. As for clothes, members were required to submit purchase applications in advance. Those going out for dates with sweethearts on weekends received W20,000 to W30,000, and in case of meetings with nonmembers, it was mandatory for members to report the results to superiors. Those not coming home or being late to come home for the night were required to give a written explanation later and do self-criticism. Thus, their private life was under control by the organization, the ANSP says.

According to the ANSP announcement, using common business firm names for cover, members called the Sanomaeng central organization "Daewoo Motor," its metropolitan-area committee "Jeil Moolsan," the Yongnam committee "Samtek," and the Honam committee "Hanyang Kyot'ong." Likewise, business-style titles such as "section chief," "department chief" and "division chief" were used on members to hoodwink outsiders.

Sanomaeng defined the fund-raising process as a key element of revolutionary organization. In addition to such means as operating schools and publishing firms and taking out bank loans, it exploited personal relationships including blood and school ties in what it called a "popularization struggle."

Some members, it is said, threatened their parents by telling them "If you do not help me now, you will lose me forever." The parents then would borrow W1 million from neighbors for them to turn in to the organization. Others are said to have feigned illness and got money from their friends and seniors or juniors of the school days for "medical treatment."

Following the arrest of Pak Ki-pyong (alias Pak No-hae) by authorities in March last year and the subsequent disclosure of the names of financial contributors, Sanomaeng established four art and mental arithmetic schools, an advertising agency and two publishing firms in Seoul to earn more than W10 million monthly. It also raised W260 million over a three-month period through the "popularization struggle," says the ANSP announcement.

Burma

Discussions at Coordination Meeting Continue

National Unity Party Views

BK0107130992 Rangoon Radio Burma in Burmese 0934 GMT 30 Jun 92

[Speech by U M. Sin Sar, leader of the National Unity Party delegation, at the coordination meeting held the President's House compound on Ahlone Road in Rangoon on 30 June—recorded]

[Excerpts] Mr. Chairman. I am honored to be granted permission to speak on behalf of the National Unity Party [NUP] as leader of the NUP delegation at the coordination meeting for convening the national convention. [passage omitted] The coordination meeting, the national convention, and the emergence of a new constitutional law are national causes and are not causes for an individual person, or a group of persons, or a single party. Thus, national cooperation is needed. There is also a need to avoid fundamentalism, mistrust, and taking advantage of other's weaknesses during the discussions. Discussions should be based on mutual trust, sincerity and frankness, purity and integrity, and goodwill. Furthermore, since the strength of the country lies within, it should be unanimously agreed that the best possible way to find an answer is by coordination and mutual understanding among national groups free from foreign interference and foreign influence. The NUP is responsibly striving its best for the convening of the national convention and the emergence of a constitution, which is regarded as a national duty. It also welcomes different ideas and views and is ready to hold discussions. The right results can be achieved in bilateral discussions keeping in view the national cause based on love for our country and people. [passage omitted]

Mr. Chairman. Continuing, I would like to present views on matters related to delegates to the national convention. The national convention involves the entire people of the nation and is also a convention for national unity. I firmly believe that the steering committee will specify the necessary qualifications for delegates to the convention. We must be aware that persons with intent to destroy the state economy and persons with intent to disintegrate the union should not be included. People, who have been influenced by a foreign country, should not be included. [passage omitted]

Mr. Chairman. There are presently 10 political parties that have legal standing. Among these parties, seven parties have elected representatives and three parties have no elected representatives. Furthermore, among these 10 parties, some parties have a nationwide organizational structure while some parties are limited to specific regions or are based on ethnic groups. At this point, avoiding an argument on which party has greater membership and organizational structure, I would like to suggest that the two major parties that have nationwide organizational structures should have an equal number of delegates. Delegates from the remaining eight parties should be chosen according to a suitable ratio based on their organizational structure. To put it in definite figures, the NUP and the National League for Democracy [NLD], which have nationwide organizational structures, should have about 50 delegates each while the remaining eight parties, which are limited to specific regions or based on ethnic groups, should have 50 delegates. I propose that the total number of delegates from all political parties should be 150 delegates.

Mr. Chairman. With regard to elected representatives attending the national convention, it is appropriate to consider the ratio based on the attendence at this meeting. This ratio shows a just decision by the steering committee. I propose that the number of delegates should be three times more than the present number in attendance at this coordination meeting.

Mr. Chairman. I will continue to present views regarding the invitation of national groups. [passage omitted] The number of delegates to the convention should be based on the 1983 census of the national groups. Four groups should be formed in accordance with population density. For Burmese nationals, who are members of the first group and have a large population, one delegate should be chosen from every 150,000 nationals. For the Karen, Arakan, and Shan nationals, who belong to the second group, one delegate should be chosen from every 75,000 nationals. For the Kachin, Chin, and Mon nationals, who belong to the third group, one delegate should be chosen for every 50,000 nationals. For the Kayah nationals, who belong to the fourth group, one delegate should be chosen from every 25,000 nationals. A suitable ratio should be adopted according to the above system for other national groups.

There is a proposal that is planned in order to grant equal representation to various other national groups. The Kachin national groups should have nine delegates, the Kayah national groups six delegates, the Karen national groups 30 delegates, the Chin national groups 15 delegates, the Burmese national groups 150 delegates, the Mon national groups 17 delegates, the Arakan national groups 21 delegates, the Shan national groups 40 delegates, and other separate national groups 27 delegates, totaling 315 delegates.

Continuing, I will discuss matters about peasant delegations to the convention. The peasantry is the main force in our country. [Words indistinct] is estimated at about 8 million. I propose that the peasant class should be widely represented and 120 delegates should be allocated.

Mr. Chairman. In connection with worker delegates, I would also like to include the delegates for state employees. According to present-day regulations, state employees mean those who enjoy the state's salary. State employees can roughly be divided into three categories—the armed forces, the police, and the civil services. I understand that workers mean persons working with private enterprises and other workers who are not state employees. For workers, 40 delegates should be allotted. In the state employee category, 40 delegates from the armed forces, 20 delegates from the people's police force, and 40 delegates from the civil services should be allotted, a total of 100 delegates. It will be suitable to allocate about 30 delegates in the technician category, since some are already included in parties, elected representatives, and employees. The steering committee should determine who should be invited in the other suitable personnel category with regard to the ratio of delegates attending the convention. To sum up, a total of 850 delegates should attend the national convention. [passage omitted]

Shan State Kokang Democratic Views

BK0107152592 Rangoon Radio Burma in Burmese 0934 GMT 30 Jun 92

[Report by U Yankyin Maw from the Shan State Kokang Democratic Party presented by U Anthony Su on behalf of U Yankyin Maw, at the coordination meeting in the President's House compound on Ahlone Road in Rangoon on 30 June—recorded]

[Excerpt] [passage omitted] The following should be the number of delegates that should attend the convention.

1. One to five delegates from among pre-independence era political figures, who are still living;
2. One to five delegates from the post-independence AFPFL [Anti-Fascists People's Freedom League] and PAHTASA [Union] era political figures;
3. One to five delegates from the Revolutionary Council era political figures;
4. One to five delegates from the Burma Socialist Program Party era political figures;
5. One to five delegates from the State Law and Order Restoration Council leadership;
6. All elected representatives except those who are detained;
7. Five delegates each from among party leaders of the 93 political parties that ran in the elections;
8. Ten delegates each from among leaders of national groups. Those leaders should display integrity, selflessness, and be acceptable to the people;
9. Ten delegates each from armed organizations, those engaged in armed struggle for various reasons;
10. Five delegates each from leaders of mass and class organizations;
11. A total of 30 delegates from among youth (?political) leaders;
12. A total of 20 delegates from among patriotic technicians and experts.

We do not assume that the recent halt in the Karen offensive is due to political, economic, or military pressures. It is done in view of restoring national unity, national reconciliation, and goodwill. It is important that we clearly understand this fact. Our Shan State Kokang Democratic Party, with hope for the successful convening of the national convention, would like to give the following suggestions:

1. Just as the state government has stopped the Karen offensive, the state government, showing a big heart, should also halt offensives in the whole country.
2. All political prisoners should be granted amnesty.

This is the time when a curtain should be drawn on the internal insurrection that came into being together with independence. [passage omitted]

Union Pa-O National Group Proposals

BK0107131392 Rangoon Radio Burma in Burmese 0934 GMT 30 Jun 92

[Speech by U San Hla from the Union Pa-O National Organization at the coordination meeting in the President's House compound on Ahlone Road in Rangoon on 30 June—recorded]

[Excerpts] [passage omitted] Mr. Chairman. I will continue to present the national convention matters for the emergence of a firm constitution for the future of Burma. There is an imminent need for a constitution approved by all the national groups of Burma with no room for arguments. It is also important for that constitution to bring about perpetual peace in Burma. [passage omitted]

In accordance with the guidance given by the chairman and secretary of the steering committee, the Union Pa-O National Organization [UPNO] proposes the following with regard to the number of delegates to the National Convention.

a. Five to seven delegates should be invited from each political party, which has legal standing;
b. A suitable ratio of delegates from political parties that won seats in the elections should be invited;
c. A minimum of one to five delegates from each national group should be invited;
d. Five to 10 peasant delegates should be invited according to states and divisions;
e. Five to 10 worker delegates should be invited according to ministries;
f. A suitable number of delegates should be invited from current and former [word indistinct] and law professionals;
g. A suitable number of delegates should be invited from the divisional and regional command level and higher senior army officers, and former army leaders;
h. Three to five delegates each should be invited from national groups who returned to the legal fold;
i. Other personnel, who should be invited, include signatories to the Panglong Agreement, participants in the drawing of the 1947 and 1974 constitutions, and former ministers and former state chairmen. [passage omitted]

Khami Solidarity Organization's Views

BK0107153592 Rangoon Radio Burma in Burmese 0934 GMT 30 Jun 92

[Speech by U San Tha Aung from the Mro or Khami National Solidarity Organization at the coordination meeting at the President's House compound on Ahlone Road in Rangoon on 30 June—recorded]

[Excerpt] [passage omitted] Mr. Chairman. Firstly, I would like to explain briefly about Rakhine [Arakan] State. There are seven national ethnic groups residing in the Rakhin State—1) Rakhine, 2) Mro or Khami ethnic groups, 3) Theinne, 4) Thet, 5) Maramagyi, 6) Kamar, and 7) Chin. [Rohingya not mentioned]

1. On matters relating to delegates from Rakhine nationals; a. Township zones have been divided in the Rakhine State and two Rakhine national delegates should be invited from each township zone. b. Although some political parties won seats in the elections, the parties were later abolished. I know that these elected representatives from abolished parties can legally run as independent elected representatives. It is suitable to invite these elected representatives to the national convention. c. Similarly, some political parties that ran in the elections were unable to win any seats. I suggest one delegate from each of these parties should be invited.

2. On matters relating to the Mro or Khami ethnic group. Mr. Chairman, I would like to continue to explain about the Mro of Khami ethnic group. The Mro or Khami ethnic group consists of a) Parkin or Wargun or Mro b) Ahwakami or Awakhami c) Ahphyarkhami d) Chaungpyarkohmi e) Ahnu f) Phaunsu, and g) Ahkelaung. The Mro or Khami ethnic groups live among the family community, live along the banks of rivers and creeks, and derived their ethnic race names from them. The Mro or Khami ethnic groups live in the northern hilly regions of Rakhine State. They also live in Paletwa Township of Southern Chin State. In the northern Rakhine State they live in Maungdaw, Buthidaung, Rathedaung, Ponnagyun, Pauktaw, Mrauk-U, and Kyauktaw Townships and also in Paletwa Township in the Chin State. The Mro or Khami ethnic group should be represented by about (?eight) delegates. Similarly, three representatives from the Mro or Khami political party should be chosen as delegates.

3. There is a small minority group called the Theinne and two delegates should be chosen from them.

4. Similarly, two delegates each from the Thet and Ashochin ethnic minority groups should be chosen.

Mr. Chairman. There are also other ethnic national groups in other states and divisions. After compiling the facts presented on the conditions of ethnic groups in the respective states and divisons, the number of delegates from political parties and ethnic national groups can be ascertained.

5. Other persons invited to the convention: The following level personnel from departmental organizations should attend the meeting: a) State Law and Order Restoration Council members, ministers, and regional commanders, b) attorney general and deputy attorney general—total two persons, c) chief justice and deputy chief justice—total two persons, d) managing directors and directors general from departments and enterprises—two each from each department, e) one peasant representative from each township, f) one worker representative from each township.

6. Other suitable persons invited to the convention: The following persons are considered as experienced politicians and leaders. These persons should be invited to the meeting and advice should be taken from them. Experienced former political leaders: a) U Ne Win, b) Dr. Maung Maung, c) Bohmu [Major] Aung, d) Widura Thakhin Chit Maung, e) U Thu Wai, and f) Election Commission members.

There are no strings attached to these presentations and they are simply just suggestions and could be amended.

La-hu Development Party's Proposals

BK0207090092 Rangoon Radio Burma in Burmese 0934 GMT 30 Jun 92

[Speech by U Daniel Aung from the La-hu National Development Party at the coordination meeting held at the President's House compound on Ahlone Road in Rangoon on 30 June—recorded]

[Excerpts] [passage omitted] This coordination meeting as mentioned by the steering committee chairman is intended to open the door toward measures to be taken for convening a national convention. As a way of opening the door wider, I sincerely suggest a general amnesty should be declared after making necessary preparations. By granting a general amnesty, [words indistinct]. Those who considered themselves Burmese citizens need not only see but should also trust the state's good will. Only then will suitable persons representing all the national groups be able to participate hand in hand at the national convention which will be held on a nationwide scale. [passage omitted]

Mr. Chairman. I would like to present the following with regard to matters relating to the delegates for the national convention.

1. Three delegates each from political parties should be invited.
2. All elected representatives should be allowed to attend provided they have legal standing.
3. One delegate each from one national group from one township should be chosen to represent national ethnic groups.

I would especially like to suggest that political parties formed with national groups which have legal standing should be allowed to choose their own delegates. This is the desire of the Wa and La-hu nationals.

The Akha national ethnic group was unable to form its own political party for various reasons and they are included in the La-hu National Development Party. I request that Akha delegates be chosen through the Akha cultural group by the La-hu National Development Party.

4. One peasant delegate each from one national group from one township should be chosen to attend the convention. The selection procedures should be the same as in section 3.
5. Workers;
6. Technicians and experts;
7. State employees.

It would be more appropriate for the state government to take responsibility for choosing the number of delegates for the above three categories.

8. The State Law and Order Restoration Council should determine the number of other suitable persons to be invited for the conventions.

Thank you all.

Independent Township Representative's Views

BK0207095892 Rangoon Radio Burma in Burmese 0934 GMT 30 Jun 92

[Speech by Dr. Hmu Tang, an independent elected representative from Thangtlang Township constituency in the Chin State, at the coordination meeting held at the President's House compound on Ahlone Road in Rangoon on 30 June—recorded]

[Excerpts] [passage omitted] Mr. Chairman. Every human being has equal fundamental rights including the right to life, liberty, and the pursuit of happiness. Everyone wishes to enjoy those human rights. These privileges are the essence of democracy. Chin for democracy and national equality [preceding six words in English], our Chin nationals are attentive to the cause for democracy and national unity. I believe other brother nationals like the Kachins, the Kayahs, the Karens, the Mons, the Burmans, the Shans, and the Arakans will feel the same. [passage omitted]

I would like to say that my frank and honest presentations regarding the convention are made in complete trust and without doubt in the the State Law and Order Restoration Council [SLORC] government. That is why I would like to present the following on those who should be invited to the national convention:

1. One delegate each from political parties that ran in the elections—that is one each from a total of 93 parties which include parties that won the elections, parties that did not win the elections, and parties that were abolished;
2. All elected representatives;

3. Representatives from national groups—one delegate each from ethnic groups chosen by themselves in their own regions;

4. Peasant representatives—one delegate each from one township chosen by local people from that township;

5. Worker representatives—one delegate each from one township chosen by local people from that township;

6. Technicians and experts—one delegate each from among lawyers, movie and music artistes, writers, painters, sculptors, cultural performers, nurses, doctors, and engineers;

7. State employees—directors general and managing directors under various ministries, rectors, principals from universities and colleges, regional commanders not included in the SLORC, police director general;

8. Other guests that should be invited:

a. All SLORC members;

b. All cabinet ministers;

c. All members of the steering committee for convening of national convention;

d. Chief justice and all central court judges;

e. Attorney general and deputy attorney general;

f. Auditor general and deputy auditor general;

g. Former national leaders—former Prime Minister U Nu, former Presidents U Ne Win and Dr. Maung Maung, and Senior General Saw Maung;

h. Former political figures—for example, persons like Widura Thakhin Chit Maung and Bohmu [Major] Aung;

i. Former respectable political leaders from the Kachins, Kayahs, Karens, Chins, Mons, Burmans, Arakans, and Shans;

j. All members of the Multiparty Democratic General Elections Commission;

k. Student representatives—about 30 delegates;

l. In view of national reconciliation, the KNU [Karen National Union], the KIA [Kachin Independence Army], and organizations in the jungles and the government should hold a reconciliatory coordination meeting and in accordance with the result, they should be allowed to participate in the discussions if it is deemed fit.

Mr. Chairman. The above discussions are made at my own free will. In accordance with the advice given by the steering committee chairman—if you have to choose between your own interest and your party's interest you must give preference to your party's interest and if you have to choose between your party's interest and your country's interest you must give preference to your country's interest—and for the emergence of a future democratic state, I do not wish all my proposals to be accepted and I am willing to accept whatever the majority decides.

Thank you all.

U Sein Win Discusses Talks With Ruling Junta

*PM3006143692 Paris LE MONDE in French
27 Jun 92 p 6*

[Interview with Burmese opposition leader U Sein Win by Jean-Claude Buhrer in Lausanne; date not given, first paragraph is editorial introduction]

[Text] The first official meeting between the Burmese junta and representatives of the political parties was held in Rangoon on Tuesday 23 June. But the latter, having been chosen by the military, are not recognized by the civilian opposition. In particular, they are not recognized by U Sein Win, prime minister of the parallel Burmese government established on the Thai-Burmese border, who has just visited Europe and who is still demanding that the junta hold "discussions with Aung San Suu Kyi," winner of the 1991 Nobel Peace Prize.

"A rotation of generals at the head of a junta is not enough to guarantee a democratic renewal in a country kept under the military's heel against its will. If the army leaders are really sincere, let them observe a cease-fire with the ethnic minorities, release all political prisoners, and hand power back to the people's elected representatives."

For U Sein Win, there can be no illusions about the recent changes in Rangoon. Two years after the opposition's overwhelming victory in the 27 May 1990 elections, the situation is still blocked and the State Law and Order Restoration Council [SLORC] is hanging onto power. It is precisely because the junta refused to hand over to Mrs. Suu Kyi's National League for Democracy that he and around 10 other deputies took refuge in the jungle controlled by the Karen on the Thai border, to form a "national coalition government."

Taking advantage of the monsoon respite, Mr. Sein Win undertook a trip to several European countries and Canada. Passing through Geneva, where he had contacts with international organizations, this 48-year old mathematician, a cousin of Mrs. Suu Kyi, explained that a real reconciliation depends on the unconditional release of the 1991 Nobel Peace Prize winner, who has been under house arrest since July 1989.

A prey to growing economic problems and increasingly isolated, the military have been forced to make a few gestures under international pressure, "but without changing their fundamental attitude." "The replacement of General Saw Maung by General Than Shwe is not even a cosmetic operation," U Sein Win remarked. "It is true that, since the latter's appointment as head of the junta on 23 April, around 100 oppositionists have been released.

"But, according to our estimates, there are still some 2,000 political prisoners behind bars, and the military are refusing to release those they regard as a threat to state security. Aung San Suu Kyi is one of them although her close family have been allowed to see her after 2 years and 6 months of total isolation. In addition, we have no information on those who have disappeared. Martial law is still in force, the universities have not reopened, and the monasteries are still under close surveillance."

In these circumstances, Mr. Sein Win expected "nothing" from the 23 June meeting between the junta and representatives of the political parties with a view to preparing the establishment of a constituent assembly. "We do not have the right to back that convention," he said. "The military, who have all the power, have themselves chosen their interlocutors, appointing 15 so-called representatives of the League who are prepared to collaborate in place of our recognized leaders.

"Of our 392 deputies, more than 100 are under lock and key and the others are in hiding. What credibility can this so-called meeting have? If the military really want to discuss something other than a tailor-made Constitution to protect their interests, they must do so with Mrs. Suu Kyi."

The convention had the task of presenting a report to the junta which has given itself six months to draft a new constitution. For Mr. Sein Win, "it is another maneuver aimed at playing for time to avoid handing power over to the National League for Democracy. Indeed," he concluded, "the parties are paralyzed by the suspension of basic freedoms and we cannot expect a real evolution of the regime while General Ne Win, its eminence grise, author of the 1962 coup d'etat, will continue to keep the SLORC under its control."

Cambodia

Son Sann Leaves for Beijing To Meet Sihanouk

*BK0207053792 (Clandestine) Voice of the Khmer
in Cambodian 2300 GMT 1 Jul 92*

[Text] His Excellency [H.E.] Son Sann, president of the Khmer People's National Liberation Front [KPNLF], chairman of the Buddhist Liberal Democratic Party [BLDP], and member of the Supreme National Council [SNC], has already left for Beijing, China. H.E. Son Sann, who just returned from visiting the Cambodian people at the Site 2 Camp along the Thai-Cambodian border, departed from Bangkok International Airport at 1400 [1 July]. He will be accorded an audience with His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and SNC chairman, in the Chinese capital city.

It is expected that the implementation of the second phase of the cease-fire would be the main topic of the discussion between H.E. Son Sann and HRH Prince Norodom Sihanouk. H.E. Son Sann disclosed before his departure that he would ask HRH Prince Norodom Sihanouk to help reconcile all the Cambodian parties so the Paris accord can be implemented for the sake of the Cambodian people's interests.

In the meantime, Mr. Ieng Muli, KPNLF secretary general, first vice chairman of the BLDP, and SNC member also left Bangkok for Phnom Penh after a two-day stay in the capital city of the Kingdom of Thailand.

Khmer Rouge, UN Fail To Break Accord 'Deadlock'

BK0207112292 Hong Kong AFP in English 1105 GMT 2 Jul 92

[By Sheri Prasso]

[Text] Phnom Penh, July 2 (AFP)—Talks Thursday between the Khmer Rouge, U.N. officials and other Cambodian faction leaders failed to break the deadlock over the radical group's refusal to lay down its arms and cooperate with U.N. peacekeepers, diplomats at the meeting said.

Khmer Rouge nominal leader Khieu Samphan maintained a rather cryptic position on his faction's demands for an enlarged role for the Supreme National Council (SNC), and more talks with U.N. leaders will be necessary in the coming days, they said.

The meeting was a working session of the SNC rather than a full-fledged meeting because neither chairman Prince Norodom Sihanouk, his son Prince Ranariddh nor non-communist resistance leader Son Sann attended.

U.N. Transitional Authority in Cambodia (UNTAC) chief Yasushi Akashi convened the meeting to discuss concessions put forward in a "non-paper" at a Tokyo conference last week of the Khmer Rouge and other signatories of last October's Paris peace accord.

"He didn't say he didn't accept the non-paper," said one Western diplomat of Khieu Samphan, but the "role of the SNC didn't get cleared up."

Akashi had set Thursday as the deadline for the Khmer Rouge to join the disarmament and demobilization phase of the peace plan, or face international condemnation. But the diplomats said Akashi had not expected a resolution to the impasse without the participation of Prince Sihanouk, currently in Beijing.

Meanwhile, a 16-member Japanese delegation arrived here for a one-week investigation to determine whether to send Japanese troops abroad for their first-ever peacekeeping mission.

The delegation leader, Tatsuo Arima, said the group of foreign affairs, self-defense force and prime ministerial officials would hold a number of meetings here to determine whether to give the green light to the Japanese forces.

The Khmer Rouge and the U.N. peacekeepers are split on the questions of the power of the SNC—which represents Cambodia's authority under U.N. supervision—and the verification of the withdrawal of Vietnamese troops.

Hanoi, whose forces overthrew the Khmer Rouge in 1979 and set up the current Phnom Penh government, says all its troops have since left Cambodia, but the Khmer Rouge refuse to accept this.

Khieu Samphan told a crush of reporters on his arrival at Pochentong Airport that there can be no other authorities but UNTAC and the SNC.

"We have made a proposition of which the main content is the application of the clause of the Paris accord, according to which there must not be other authorities or governments than UNTAC and the SNC," Khieu Samphan said.

Asked whether his faction would agree to disarm, he said: "We will see. We are going to discuss it at the SNC."

But diplomats said everyone agreed at the meeting that "there is no government in Cambodia, only four administrations."

"We all agree the SNC is a consultative body, not an administrative body," one said.

The Paris peace accords call for leaving in place under U.N. supervision the existing administrations of the various factions which control different parts of the country. They say the SNC can act only as an advisory body to UNTAC, which makes final decisions on matters concerning Cambodia's governance.

Earlier this week, the Khmer Rouge issued a moderate statement which diplomats said indicated a softening of their position. However, it left unclear what kind of role they are demanding for the SNC. An UNTAC spokesman was not immediately available for comment.

UNTAC Head Urges Strengthening SNC's Authority

OW0207013292 Tokyo KYODO in English 0053 GMT 2 Jul 92

[Excerpt] Tokyo, July 2 KYODO—The U.N. peacekeeping chief in Cambodia has proposed strengthening the authority of the Supreme National Council (SNC) to restore peace in the war-torn nation, the ASAHI SHIMBUN reported Thursday. Yasushi Akashi, head of the U.N. Transitional Authority in Cambodia (UNTAC), made the proposal during an SNC meeting held in Tokyo on June 22, the ASAHI reported from Phnom Penh.

In addition to giving more power to the SNC, Akashi proposed observers from each of the four warring factions to join U.N. mobile teams investigating allegations of the presence of Vietnamese troops, the report said. The Khmer Rouge, militarily the strongest of three guerrilla factions and the only one refusing to disarm, demands transforming the SNC that represents all four factions into a government and verifying that all Vietnamese troops have withdrawn as preconditions to disarming.

Confirming that the Paris peace accord signed in October is the only means to restore peace in Cambodia, Akashi urged all factions to cooperate in carrying out the second stage of the ceasefire requiring disarmament and demobilization, the report said. Akashi proposed strengthening the SNC's advisory function to UNTAC to implement the accord and build close cooperative relations with the U.N. peacekeeping body in various fields of activities. He suggested that the SNC meet more frequently and accept leading foreigners under the SNC's name. Akashi's proposal also noted that the UNTAC supervise all the factions' agreements with foreign countries on trade and investment with the cooperation of UNTAC, the report said. [passage omitted]

'Vital Stretch of Road' Opened Between Factions

BK0107135592 Hong Kong AFP in English 1133 GMT 1 Jul 92

[By Sheri Prasso]

[Text] Treas, Cambodia, July 1 (AFP)—A vital stretch of road in northwest Cambodia, closed and heavily mined during the 13-year civil war, was reopened Wednesday after mine clearers removed 1,500 explosives and linked the two factions either side of it.

Route 69, controlled from the Thai side by the Khmer People's National Liberation Front (KPNLF) resistance and from the interior side by the Phnom Penh government, was reopened in a formal ceremony attended by both factions.

At this mid-way point between Sisophon and Thmar Puok, Sisophon Governor Ith Loeur and his former enemy General Sak Sutsakhan met to thank the U.S. Government for demining and repairing the 60 kilometer (37 mile) stretch.

"This is a time of national reconciliation, a time for Cambodians (from all factions) to reunite," said U.S. envoy in Cambodia Charles Twining. "This is a symbol of the peace we are certain Cambodians will have forever more."

The U.S. Agency for International Development (U.S. AID) spent about one million dollars to demine and repair the stretch of road, said its representative in Cambodia, Lee Twentyman.

The Thai company contracted to do the repair and demining damaged three vehicles and had three men injured in the work, which has taken about three months.

Deminers were only able to clear a few meters (yards) out from the roadbed, and driving along the route it was apparent from thousands of undisturbed anthills and termite mounds that many areas had not been traversed in years.

The area had previously been cultivated, however, with the berms of grown-over rice paddies still evident.

The former front line—an overgrown, ominous patch of scrub land—was guarded by Phnom Penh government soldiers on one side and KPNLF guerrillas on the other. The route is vitally important for the U.N. High Commissioner for Refugees (UNHCR), which will use it to resettle refugees from Thai border camps and resupply them with food.

"This is a premier example of the desire of (the Cambodian factions) to abolish the nationalistic and artificial internal borders," said UNHCR special representative Sergio Vieria de Mello. "This is a road to peace...but we still have a long way to go."

Sak Sutsakhan dedicated Route 69 to all Cambodian people who lost their lives during the war.

Provincial Troops Move to Takeo Cantonment Site

BK0107131792 Phnom Penh SPK in English 1118 GMT 1 Jul 92

[Text] Phnom Penh SPK July 1—1,120 members of self-defence forces of the southern province of Takeo gathered at the cantonment site in Baray Commune, Tram Kak District, Takeo Province.

The troops together with 530 weapons regrouped early Tuesday in the presence of Michel Loridon, sub-military commander of the United Nations Transitional Authority in Cambodia (UNTAC).

The self-defence forces of Takeo Province have 2,129 members and 3,046 pieces of [words indistinct], said Col. Kong Bunthan, commander of the provincial self-defence forces at the regrouping ceremony.

The cantonment site located about 40 km west of the provincial town has been under the supervision of a French contingent. So far, only three Cambodian factions, including the Phnom Penh government, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and KPNLF [Khmer People's National Liberation Front], have agreed to comply with phase two of the cease-fire which started since June 13.

The Khmer Rouge faction has refused to give access to U.N. "blue berets" into its controlled-zones and to lay their arms, insisting that UNTAC verify the withdrawal of Vietnamese troops from Cambodia.

The four Cambodian rival factions signed the Paris peace accord in October last year under which UNTAC has duties to supervise the disarming, demobilising of 70 percent of the four factions forces and putting into cantonments of the remaining 30 percent.

UN Troops Arrive, Set Up Camps; Japanese Survey

Camps Set Up in Khmer Rouge Areas

BK0207022192 Bangkok THE NATION in English 2 Jul 92 p A4

[Text] A Dutch battalion of UN peacekeepers hopes a meeting of the four Cambodian warring factions starting today in Phnom Penh will thrash out the issue of Khmer Rouge [KR] opposition to full implementation of the UN-sponsored peace plan.

Some of the Dutch marines, sent to prepare for the demobilization of the factions set to begin on June 13, were stranded for a few weeks in Aranyaprathet District after the Maxist Khmer Rouge denied the UN access to the areas it controls near the Thai border.

A Dutch company commander, Maj [Major] Heyda Hans, said the contingent was waiting for permission from headquarters in Phnom Penh to move the troops into the designated areas to begin supervision and control of the cantonment of the factions.

The four factions are meeting today under the aegis of the national reconciliation body, the Supreme National Council (SNC), on which they are presented. They are expected to discuss the Khmer Rouge demand that the UN verify the withdrawal from Cambodia of all Vietnamese troops, as well as clarify the relationship between the SNC and the UN Transitional Authority in Cambodia (UNTAC).

"So far we heard that the Khmer Rouge is reacting more positively to the UN peace plan," Maj Hans said.

Hans said the Dutch troops were expected to be fully deployed by July 15 to begin their much-delayed task of demobilization and disarmament of the strongest Cambodian force, the Khmer Rouge.

The Dutch force has completed setting up four camps around the Khmer Rouge controlled areas of Pailin, Phnom Malai and Sok San, he said. Those areas are opposite Thailand's eastern provinces of Chanthaburi and Trat.

The Company of Delta Company, Charlie Company, Bravo Company and Alpha Company were set up in Phum Bavel, Baan Nimitr, near Sok San and one kilometre north of the Cambodian Northwestern town of Sisophon respectively.

The Sector One headquarters of the Dutch battalion was set up in Sisophon, about 48 kilometres from Aranyaprathet District.

Asked to comment on a statement by a French minister that UN troops might have to be authorized to fire on the Khmer Rouge if it continued blocking full implementation of the peace pact, he said those comments were a matter for the French government.

"For us, our government will make the decision first on whether to change our role or not," he said.

"It will be a very difficult decisiion because we are here for a peace-keeping role, not enforcing peace. And, of course, our people are peace-lovers."

He said there had not been any reports of fighting between regular Phnom Penh forces and guerrilla forces in the areas where Dutch set up their camps, although there had been sporadic shooting.

Earlier Dutch battalion spokesman Maj Dykstra Jaap said the Dutch were facing some minor difficulties because of the rainy season.

"The rainy season is beginning. The more we are delayed, the more difficulty we face in setting up our camps," he said, referring to the Khmer Rouge refusal to allow UN troops access to its areas.

Another problem the Dutch were facing was communications with the Khmer Rouge.

"So far, we don't have face to face contact with the Khmer Rouge leaders but through local Khmer Rouge people," he said.

Contingent From Indonesia Arrives

BK3006120092 Jakarta ANTARA in English 1135 GMT 30 Jun 92

[Excerpt] Phnom Penh, June 30 (OANA/ANTARA)—The Garuda XII-B contingent, which set out from Tanjungpriok aboard the KRI [Republic of Indonesia Ship] Teluk Semangka and KRI Teluk Mandar warships last Wednesday, arrived at Kompong Som port (400 km southwest of here), Cambodia on Monday.

The 645-man contingent under the command of Lieut. Col. (Inf) [Infantry] Riamizard and Col. (Pol) [Police] S. Tarigan was welcomed in a simple ceremony by Indonesian Ambassador to Cambodia Taufik Sudarbo in the presence of the United Nations Transitional Authority in Cambodia (UNTAC) chief of staff, Brig. Gen. Tanlicha. [title and name as received]

Brig. Gen. Tanlicha said that the new contingent will be posted in the Kompong Thom region, 300 km east of here, and will join with the Garuda XII-A contingent and other international forces in the task of preserving peace in Cambodia under the United Nations command. [passage omitted]

Japanese Survey Mission Arrives

OW0207075092 Tokyo KYODO in English 0722 GMT 2 Jul 92

[Text] Phnom Penh, July 2 KYODO—A group of 15 Japanese Government officials arrived in Phnom Penh Thursday on a fact-finding mission ahead of Tokyo's first overseas dispatch of its troops later this year as part of a United Nations peacekeeping team.

"The purpose of our visit here is to look at the activities the United Nations has started in helping to restore or maintain peace in Cambodia," said Tatsuo Arima, head of the Japanese mission.

Arima, chief cabinet councilor for external affairs at the prime minister's office, told a news conference at the airport Japan has readied itself for cooperation with the

U.N. Transitional Authority in Cambodia (UNTAC) by enacting a peacekeeping cooperation law.

Passed after lengthy debate and much controversy, the law has opened the way for Japan to send its Self-Defense Forces abroad for the first time since the end of World War II.

The mission is scheduled to leave Cambodia on Tuesday after meeting UNTAC chief Yasushi Akashi and other leaders as well as touring UNTAC facilities.

On the same flight from Bangkok as Japanese mission was Khieu Samphan, the head of the radical Communist Khmer Rouge which along with two noncommunist rebel groups is opposed to the Phnom Penh government backed by Vietnam.

The Supreme National Council (SNC), which groups all four parties to the 13-year conflict, was to hold a working session later in the day.

Ranariddh Urges Parties To Discuss Peace

BK0207052392 (Clandestine) Voice of the Khmer in Cambodian 2300 GMT 1 Jul 92

[Text] Prince Norodom Ranariddh, chairman of the party of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia, supreme commander and commander in chief of the National Army of Independent Cambodia [NAIC], and member of the Supreme National Council [SNC], said all Cambodian parties should not talk about war but peace. The prince gave this answer when he was asked by a correspondent what the stance of the NAIC would be should a war flare up between the troops of the Vietnamese-installed State of Cambodia and the forces of the Party of Democratic Kampuchea [PDK].

He pointed out that if a war erupted between the Phnom Penh regime's troops and the PDK's forces, and if the NAIC joined one party to oppose another, this would in no way lead to a solution for peace in Cambodia. He said he fully believes in Samdech Euv [Sihanouk's popular appellation], His Excellency Yasushi Akashi, and the entire Cambodian people, who want to see an early peace in Cambodia. He added that the NAIC combatants are the children of the Cambodian people—therefore, if the people want peace, the combatants should yield to this desire. Samdech Euv, the father of the nation, and H.E. Yasushi Akashi, he stressed, should be allowed to urge all the parties to accept the implementation of the 23 October accord.

Chea Sim on Khmer Rouge Intentions, Accord

BK0107075992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 1 Jul 92

[Text] Mr. Chea Sim, chairman of the Cambodian People's Party [CPP] Central Committee, National Assembly, and National Council of the Kampuchean United Front for National Construction and Defense, held a cordial meeting with high school certificate examiners from all over the country on the afternoon of 30 June at the Basak auditorium. On that occasion, Mr. Chea Sim sincerely praised the examiners for their efforts in undertaking various tasks with a sense of responsibility and their high conscientiousness in teaching students and conducting the recent high school certificate examination. He added that in this year's examination, students themselves and their parents and guardians were satisfied and confident of the examiners' impartiality and concern for the quality of education.

Regarding the Cambodian situation in this final stage, Mr. Chea Sim spoke about the CPP and the government's stance and goodwill in sincerely implementing the Paris accord and in creating all favorable conditions for the UN Transitional Authority in Cambodia to monitor its implementation. For the time being, he lamented, the Cambodian opposition group—specifically the Party of Democratic Kampuchea—continues to militarily and politically breach the accord's provisions in order to break up the State of Cambodia, diminish its influence, and create social instability. He disclosed that the Khmer Rouge, who have persistently been maneuvering to forestall the peace accord's implementation, were criticized and condemned by the country-participants at the recent Tokyo ministerial meeting on the reconstruction of Cambodia.

Khmer Rouge Outlines Accord Implementation Stance

Two Key Issues Discussed

BK0107010792 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 30 Jun 92

[Station commentary: "The Success of the Paris Accord's Implementation Depends on the Application of the Two Key Issues"]

[Text] The general public has already been aware that the failure of the application of the Paris accord is due to the yuon [derogatory term for Vietnamese] aggressors' and his accomplices' objection to the following two aspects, which are the key issues of the comprehensive implementation of the accord:

1. The yuon aggressors and their associates have been opposed to verifying the withdrawal of yuon aggressors from Cambodia according to the Paris accord, thereby allowing the yuon to, for instance, constantly launch attacks against the Cambodian national resistance forces during the entire last dry season.

2. They eliminate the role of the Supreme National Council [SNC] which, according to the letter of the Paris accord, is the unique legitimate source of authority in Cambodia during the transition to cooperate with the UN Transitional Authority in Cambodia [UNTAC] to comprehensively execute the Paris accord.

The yuon aggressors and their cronies are striving to discard or are painstakingly maneuvering to avoid the application of the two key issues with the aim of preserving all categories of yuon aggressor forces and allowing the yuon-installed regime in Phnom Penh to have a free hand to further rule over Cambodia. For this purpose, they are currently forcing the Cambodian people to vote under the authority of the yuon forces and the yuon-installed regime in Phnom Penh. So this is unacceptable to the Cambodian people and resistance forces, come hell or high water. The Cambodian people and the Cambodian national resistance forces need a comprehensive and correct implementation of the Paris accord in accordance with the letter and spirit of the 23 October 1991 accord. This means the complete withdrawal of all categories of Vietnamese forces from Cambodia should be verified and the SNC should fully play its role as the unique legitimate body and source of authority in Cambodia in keeping with the Paris accord. By no means does the Cambodian national government as well as the yuon-installed puppet government any longer exist.

Further on Disarmament

BK0207013692 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 1 Jul 92

[Station commentary: "The Cambodian Nation and People Simply Demand That All Implement the Paris 23 October 1991 Accord Correctly, Impartially, and Swiftly"]

[Text] Everyone knows that the protracted war in Cambodia is a Vietnamese war of aggression against our country, a war triggered by Vietnam sending hundreds of thousands of forces to madly attack, invade, and occupy Cambodia since 25 December 1978. If the war was provoked by the Vietnamese aggressors, an appropriate and specific solution should be found. It is not right to focus attention only on solving other irrelevant issues and it is far more inappropriate to disarm the Cambodian resistance fighters.

The well-prepared Paris 23 October 1991 accord has a well-defined objective of putting an end to the Vietnamese war of aggression against Cambodia via a comprehensive political settlement. And in particular, the following two key issues should be tackled:

1. The Vietnamese aggressors, who are the root cause of the war in Cambodia, should be made to withdraw all categories of their invading forces from the country under the correct and meticulous verification jointly carried out by the UN Transitional Authority in Cambodia [UNTAC] and the Supreme National Council [SNC].

2. The SNC should be fully empowered as the unique legitimate body and source of authority in Cambodia during the transition. No other authorities should exist.

In sum, if the two key issues, which are the bone of contention of the Cambodian problem, are solved first, the problem itself will be correctly dealt with and other issues can be settled as well.

In the eight months since the signing of the Paris accord, however, the Vietnamese war of aggression against Cambodia has not yet been tackled appropriately. This is because the Vietnamese invaders and their accomplices as well as some evil people are continuing to breach the Paris accord. They refuse to respect and correctly enforce implementation of the Paris accord in keeping with the letter and spirit of the agreement. As a matter of fact, those crooks have painstakingly sustained and defended the Vietnamese aggressors and preserved the Vietnamese-installed puppet regime to further rule over Cambodia.

That being the case, the Cambodian nation and people can in no way acquiesce. They simply demand that all implement the Paris 23 October 1991 accord, specifically the two key issues, correctly and impartially. They ask for nothing except correct application of the letter and spirit of the Paris accord. The Cambodian nation and people will further strive to persistently respect, protect, and implement the Paris accord until Cambodia achieves genuine independence, peace, and national reunification.

Editorial Urges Sanctions Against Hardline Group

BK0107052392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 30 Jun 92

[PRACHEACHON editorial: "Preserve the Right of Self-Defense With Goodwill"—date not given]

[Text] The second phase of the cease-fire, an important step in the execution of the Paris 23 October 1991 accord, was put into effect as planned at 0800 on 13 June by the UN Transitional Authority in Cambodia [UNTAC], despite opposition and challenges from the Khmer Rouge.

The State of Cambodia [SOC] has shown the national and international communities its exemplary goodwill and sincerity in wanting to see genuine peace, with which the people are able to rebuild their lives and country toward prosperity. The regrouping of Prey Veng Province's army at Kamchai Mea and other successive regroupings of the SOC's armed units possibly at various cantonments is evidence of its determination to play honorably and with dignity. This is also proof of their leading role in breaking the deadlock created by the Khmer Rouge, who are attempting to ruin phase two in order to delay the implementation of the accord, thereby prolonging the war with the intent of bringing disaster, hardship, and sufferings to the Cambodian nation and people.

Since the signing of the Paris accord, the SOC side has consistently maintained its goodwill to achieve peace and national reunification. It has strictly abided by the cease-fire patiently and with sincerity at all times, and has closely cooperated with the UN Advance Mission in Cambodia, UNAMIC, and other Cambodian parties in implementing all aspects of the accord and other policies and measures to promote the peace process. The SOC has surmounted all manner of obstacles and difficulties and stepped forward to achieve the ultimate goal.

On the contrary, the Khmer Rouge have not only failed to maintain a goodwill stance, they have also openly challenged the peace plan and UNTAC. They have refused cooperate with UNTAC by denying the UN peacekeeping forces free access to the regions under their control and by intensifying fierce attacks on the SOC-controlled areas, especially in Kompong Thom, Kampot, Kompong Cham, Battambang, and Siem Reap-Oddar Meanchey Provinces, causing great losses to innocent lives and property. For instance, the recent Khmer Rouge violations in Kulen and Sangkum Thmei Districts of Preah Vihear Province have made over 6,800 people homeless, as the people were forced to flee to avoid disaster. Before flying to the PRC, His Royal Highness [HRH] Prince Norodom Sihanouk disclosed that actually, the Khmer Rouge had prevented us from leaving in peace and implementing the peace accord.

Our people have a warm feeling of pride in the stance and action of our SOC's party and government. They have always spearheaded the implementation the Paris accord with sincerity for the genuine interests of our country and people. Our people firmly believe in the intelligent and clear-sighted leadership of the Cambodian People's Party [CPP] and the SOC Government, which will never allow any parties to exploit our goodwill. We preserve our right to self-defense as announced by UNTAC Head Akashi at the 11th SNC meeting on 5 June. Under all circumstances and in every situation, our people pledge to continue our nation's fine tradition by uniting around the CPP, and to lend moral and physical support to our government and create every favorable condition for the UN peacekeeping mission in Cambodia.

We call on the UNTAC, the international community, and especially the UN Security Council to take, in line with the Cambodian people's hope and belief, concrete measures against any party that has breached and attempted to wreck the Cambodian peace process.

Laos

Military Delegation Meets PRC Counterpart

BK0107141492 Vientiane KPL in English 0913 GMT 29 Jun 92

[Text] Vientiane, June 29 (KPL)—Lieutenant General Ai Souli-gnaseng, deputy minister of national defense of the Lao People's Democratic Republic, on June 25 met in Beijing with the minister of national defence of the People's Republic of China.

The two sides expressed satisfaction with friendly relations, solidarity, and effective cooperation between Laos and China.

The Chinese defense minister said that the increased relationship between the Lao and Chinese armies corresponds with the common interest of the two countries and is favorable for peace and stability in Asia.

Report on Military Meeting

BK0107144392 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 30 Jun 92

[Text] According to an official Chinese news report, on the evening of 25 June in Beijing, Lieutenant General Ai Souli-gnaseng, deputy minister of national defense of the Lao People's Democratic Republic, and his party, paid a courtesy call on Qin Jiwei, state councillor and minister of national defense of China.

The talks between the guests and the host proceeded in an atmosphere of intimacy and sincerity. Both sides firmly expressed their satisfaction with the solidarity, friendship, relations, and effective cooperation between Laos and China, which have gradually improved.

In addition, Qin Jiwei reiterated that the strengthening of relations between the Chinese and Lao Armed Forces conforms to the mutual interests of the two countries and is also yielding positive results for peace and stability in the Asian region.

Social Science Delegation Back From DPRK

BK0107121692 Vientiane KPL in English 0904 GMT 1 Jul 92

[Text] Vientiane, July 1 (KPL)—A delegation of the Lao National Committee of Social Science led by its president, Mr. Sisana Sisan, returned home on 27 June, 1992, ending its two-week-long visit to the Democratic People's Republic of Korea (DPRK).

While there, the Lao delegation was warmly wecomed by the executive officials of the Juche Academic Council, and held talks with a delegation of the council. The delegation also called on the secretary of the Korean Workers' Party, Mr. Hwang Chang-yop, who is in charge of social science affairs.

The visit to the DPRK by this Lao delegation was a success in strengthening long-standing solidarity and friendship between the DPRK and the Lao PDR [People's Democratic Republic].

Philippines

Japan Grants $200 Million Commodity Loan

HK0207060092 Manila MANILA BULLETIN in English 2 Jul 92 pp 1, 14

[By Fil C. Sionil]

[Text] The Japanese government granted yesterday a $200-million commodity loan to the Philippines, its first financial assistance to the administration of President Ramos.

The facility, equivalent to 25.5 billion yen, aims to boost government outlay for rehabilitation and reconstruction projects in areas damaged by the eruption of Mt. Pinatubo.

It may also be used to support the country's balance-of-payments position as the yen disbursements from the facility will form part of Philippine international reserves.

The million [as published] commodity loan falls under the $1-billion 18th yen credit package to be coursed through the Overseas Economic Cooperation fund of Japan.

Release of the yen loan package was stalled by the Japanese government early this year, pending more reliable information on the Ramos administration's economic agenda.

However, the formal exchange of notes between outgoing Foreign Affairs Secretary Raul Manglapus and Japanese Ambassador to Manila Hirokazu Arai indicated that the Japanese government has found the Ramos economic agenda acceptable.

The Department of Finance (DOF) described the release of the $200 million, representing 20 percent of the total 18th yen loan package, as a "manifestation of its (the Japanese government's) support for the newly-installed government of President Fidel V. Ramos."

The terms of the commodity loan include three percent in interest annually and a repayment period of 25 years, inclusive of a seven-year grace period.

Japan is the country's largest source of official development assistance.

Japanese Embassy Picketed Over Peacekeeping Law

HK0207081992 Hong Kong AFP in English 0744 GMT 2 July 92

[Text] Manila, July 2 (AFP)—A small group of leftwing Philippine demonstrators picketed the Japanese embassy here Thursday to protest the passage of a law authorizing the deployment of Japan's military for peacekeeping duties abroad, witnesses said.

Some 40 protesters lay in front of the main entrance of a high-rise housing the mission in a "die-in" to portray what would allegedly happen if "Japanese warlords" were allowed to relive "their old glory and gory" of World War II, when Japanese troops occupied most of Southeast Asia.

The group dispersed about an hour later without police interference.

"It will not be long when Japanese soldiers, disguised as 'peace-keeping forces,' will sail out to Indochina, specifically Cambodia, one of the countries they invaded about 50 years ago. For whom will they keep the peace?" said a statement distributed by protesters to curious passersby.

The demonstrators also denounced the Philippine government for allowing thousands of Filipino women who work as "entertainers" in bars in Japan "to become modern-day comfort women and sex slaves of Japanese men."

Taiwan Businessmen Offer Funds, Expertise

HK0207065692 Manila THE CHRONICLE in English 2 Jul 92 pp 1, 6

[By Manny Mogato]

[Text] A group of Taiwanese businessmen yesterday offered "material assistance and expertise" to help the new government solve the power crisis in the country.

The group also promised to help the government set up a joint industrial estate in at least four areas in the country to catch a large volume of investments from their country.

These offers were, perhaps, the most concrete support President Ramos had received from his guests who called on him at Malacanang.

On his second day in office, Ramos hosted a vin d'honneur shortly before noon after receiving representatives and delegates from at least 22 foreign governments who attended his inauguration last Tuesday at the Rizal Park.

He came to office an hour late for his first appointment to talk with employees and workers at the Palace after the flagraising ceremony. The ceremony was rained out, forcing Ramos to cancel his appointment.

But he went to meet representatives from various governments who conveyed their respective government's good will toward the new administration.

His meeting in the afternoon with business groups from Japan and Taiwan proved to be more productive and significant as both groups did not only make promises but had committed support for his administration's economic policies.

The delegation was accompanied by Trade and Industry Secretary Rizalino Navarro and his undersecretary, Tomas Alcantara.

They said the business groups expressed their willingness to help the new government by putting in more capital but were more concerned about their projects.

On the proposed industrial estate, Navarro said Taiwan wanted to set up factories and plants that would generate employment as well as capital in Bataan, Subic, Mactan and Mandaue.

The specific details of these plans and projects would be further discussed on Aug. 3, when a business meeting between Taiwan and their counterparts would be held in Manila.

The Taiwanese delegation is headed by C.F. Koo, chairman of the Chinese National Association of Industry and Commerce in Taipei.

After observing the peaceful transfer of power Tuesday, Koo said they had "total confidence that your country will achieve tremendous economic development and social progress in the near future under a new government."

Koo led a delegation of 12 businessmen representing big manufacturing companies in Taiwan.

The Japanese business group was more cautious in committing to invest in the country, although they were interested in putting up light industries.

Navarro said the government has assured both the Japanese and Taiwanese businessmen of the favorable political eliminate in the country.

"I think what was seen yesterday is a concrete proof that the Philippines is in fact already politically stable," he said, adding that they had assured the business groups that they would fight crime to make the country more attractive not only for investors but also for tourists.

Air Force Plans To Modernize Aircraft, Radar

HK0207035092 Manila THE CHRONICLE in English 2 Jul 92 p 3

[By Manny Mogato]

[Text] Malaysia is ordering British-made A-4 Sky Hawks, F-111 Tornados and U.S.-made F-18 Hornets, while Singapore is more interested in A-10 "Thunderbolt" tank killer aircraft, E-2C Hawkeyes and F-16s.

Brunei, the smallest military outfit in the region, is spending $200 million for British Hawks and missiles.

The Philippines, aiming to regain its air supremacy in the region, has a similar ambitious plan requiring a hefty $2.6 billion, the biggest in the Asean.

The modernization plan's main objectives are an improvement in operational efficiency, improved logistics and communications, and a truly self-reliant force.

Among the basic considerations, Abadia said, were operational planning for forward defense, range, velocity, and penetration capability, quick reaction and flexibility for counter attacks and engaging the enemy at sea and in the air near Philippine borders and deep in hostile territory.

Based on its plan, the PAF [Philippine Air Force] is to acquire two squadrons of multi-role fighter-attack aircraft and a squadron of ground attack aircraft, 18 helicopters of various models and 14 transport and other aircraft, like an air warning and control aircraft or Awac.

Apart from aircraft, the air force plans to upgrade its radar and communications facilities and improve and expand air bases.

Three more air bases are being planned, seven three-dimensional radars will be installed and 10 tropo-link communication facilities will also be put up to adequately cover the entire archipelago.

Simulators and trainer jets are also on the shopping list. Surface-to-air missiles or SAMs are also being considered for an integrated air defense system.

Each missile will cost the country about $1.5 million.

The air force research and development center is now developing a "cluster bomb" model to replace the expensive imported rockets used by the helicopters and ground attack aircraft used to fight communist rebels.

The cluster bomb project is only one of the self-reliant defense program-financed researches the military has been undertaking.

The other armed services are also involved in the development of indigenous armaments and other war material.

The army is building an armored vehicle with imported armor plates from Eastern Europe, while the navy has built its first 140-footer patrol boat.

These projects will complement their major acquisitions.

Abadia said the air force was continuously evaluating and testing various models of fighters to acquire a cheaper but better aircraft suited for the country.

Among those tested were the Israeli-made Kfir jets, the British-Italian Tornados, the British AV-8 Harrier jump jets, the U.S.-made F-16s and F-5E/Fs, and an Eastern European fighter, a Czech jet.

The Israeli Kfir eventually emerged as the best choice to replace the aging F-5As, while 18 Czech L-39 Albatross aircraft would eventually replace the much older trainer T-33s.

At present, the air force has only four operational F-5 fighters, 14 Italian-made S-211 Siai Marchetti trainers, 18 SF-260 turbo-prop basic trainers, five F-27 Fokker transport and eight C-130 Hercules transport, and 24 OV-10Bs "Broncos," the latest addition to its inventory of vintage aircraft.

Helicopters number 84 units, mostly UH-1H "Huey" utility choppers, remnants of the Vietnam War, S-76 Sikorsky gunships and its latest acquisition, MD-520 attack helicopters.

Abadia said he hoped to increase the PAF's aircraft and improve quality to match the capabilities of air forces of other Asean countries.

"We will badger, beg and cajole our lawmakers for funds to modernize our Air Force," he said.

To complement acquisition of better aircraft, Abadia has also outlined an integrated air defense system to improve the shield against surprise aggression.

Part of the plan is to install radars in seven stragetic areas around the country, from Pasuquin, Ilocos Norte in Luzon to Davao City in Mindanao.

The radars will be installed near vital choke points like Palawan, Lubang Island in Mindoro, Antique, and Zamboanga along the western part of the country and another in Paranal, Camarines Norte in Bicol to guard the eastern corridor.

Air bases will also be built near these radar installations for swift interception of intruding aircraft, whether hostile or not.

Already, plans are being made for the expansion of the Legazpi airport in Albay and the Cauayan airport in Cagayan to serve as mini airbases.

Similarly, expansion work is planned for the Pag-Asa [Hope] Island airstrip in the disputed Spratly Islands; Fernando Air Base in Lipa City; Edwin Andrews Air Force Base in Zamboanga City; Antonio Bautista Air Base in Puerto Princesa City; Mactan Air Base in Cebu; and the Davao City International Airport for possible military use.

These bases will be defended by surface-to-air missiles either in fixed sites or mobile launching pads.

A digital tropo-link communications network, supplemented by microwave facilities, will eventually link all these facilities through a central command and control center at either Villamor Air Base in Pasay City or in the envisioned air force central headquarters in Clark Air Base.

By the end of the century, Abadia hopes to create a credible air force capable of deterring external aggression and projecting power beyond Philippine borders and frontiers.

Ramos Vows To Build 'Credible Air Defense'

HK0207054992 Quezon City Radyo ng Bayan in Tagalog 0212 GMT 2 Jul 92

[Speech by President Fidel V. Ramos at the 45th anniversary ceremony of Philippine Air Force held at Villamor Air Base parade ground in Makati, Metro Manila—live in English; italicized passages in Tagalog]

[Text] Major General Loven Abadia, Secretary Renato de Villa, General Lisandro Abadia, the distinguished members of the Senate and the House of Representatives, your excellencies of the Diplomatic Corps, the veterans of the Philippine Air Force, the officers, the men and women of the Philippine Air Force, fellow workers in government, *my dear countrymen.*

I can see that the Philippine Air Force has excellent timing not only in precision flying but also in inviting. This is my first speaking engagement since I took my oath of office as president two days ago. I hope this maiden engagement with the Air Force will give me luck. [laughter, applause]

The truth is that I would have asked to be with you here today. I am sincerely happy to join you to celebrate your 45th anniversary. And I must thank General Abadia for his gracious invitation. Let me also congratulate the members of the Class 1992 who have just been awarded their Philippine Air Force rings this morning. You are entering a service with a heroic tradition and the Filipino people expect everyone of you to live up to it.

Even before its formal founding as a major command of the Armed Forces of the Philippines in 1947, our Air Force had accumulated a heritage of heroism from its pioneer pilots of the Pacific war. Today, this carrying on that heroic heritage not just in the government counterinsurgency campaign, but also in the more recent failed attempts against our democratic system that used to pester us since the People Power revolution in February 1986 at EDSA [Epifanio de los Santos Avenue]. [sentence as heard] And we are all familiar with its peacetime role of search and rescue; its humanitarian airlift of food, medicine, and medical units to disaster stricken areas and its cloud seeding operations during the dry season.

In short, the Philippine Air Force is an institution whose dependability, quite courage, technical competence, and steadfastness our country has learned to count upon. For all that, this nation is grateful. I have come here on its behalf to thank you. I also came to assure you that our government appreciates the importance of air power in the emerging security configuration in Southeast Asia. We are acutely aware of our urgent need to modernize the Philippine Air Force in technical terms to bring it abreast with the air capabilities of the Southeast Asian powers.

And so today, the talk is about modernization. But modernization does not only involve equipment. Modernization as we enter the last decade of the 1990's, for our people, it also means a new beginning. It means keeping up with our neighbors. It means giving young Filipinos a better chance to compete. It means renewed national discipline. It means being able to do the jobs that we have to do efficiently and effectively. It means keeping our country clean, presentable and attractive. It means a lot of hard work for all Filipinos. To me, that is what modernization really means.

Of course, we also have to modernize certain pieces of equipment. On the part of the Air Force, its flying assets. *Maybe even the old command vehicles you use during parades here will eventually be modernized.* [laughter, applause] *I have been looking at these seven decrepit vehicles for a long time.* [applause]

But our dear friends of the Philippine Air Force and the Armed Forces of the Philippines, the end of the cold war may have eased the danger of a nuclear confrontation between the superpowers. But ironically the loosening of these power tensions makes more likely the breaking out of regional quarrels that we are now witnessing in parts of the world such as in Europe.

Fortunately, there are no serious local quarrels threatening our part of the world in Asia and the Pacific. I think we have, in fact, safely redefined East Asia security in economic terms. Securing continued access to markets and technology has become the most vital and common concern of our country as well as of our regional partners. And this common concern we can best deal with cooperatively through the Association of Southeast Asian Nations [ASEAN] and similar supranational groupings.

ASEAN has played a stabilizing role vis-a-vis Vietnam, Laos, and Cambodia. Economically, ASEAN gives our Southeast Asian states the umbrella organization for negotiating trade and technology with both the European Community and the emerging North American Free Trade Association.

Hereto [as heard] at home, the capabilities of our Philippine Air Force and our Navy must also take a quantum leap, as we would want to happen in our economic life. We must now assume full responsibility for our own defense, and all that implies belt tightening and self sacrifice.

In air defense as generally in our economy, there was a time when we were Southeast Asia's best. Our fighter planes were the state of the nation, state of the art, and our young pilots were the best. Our pilots are still the best. [applause] But our planes, weapons, and technical equipment, definitely are not.

We must bring them up, at least, to par with the rest all over again. Obviously, we have to do the best that we can with the little that we can spare.

Your commanding general, General Abadia, has been an articulate spokesman for the Philippine Air Force and the urgency of rebuilding our air defense system. In that I have no disagreement with him. [applause]

For me as your president, modernization of the Air Force is not just an institutional concern. It is an urgent national concern. [applause] And I am determined to build this credible air defense system within my tenure as president. [applause]

We shall have to accelerate our entire self reliance program for the Armed Forces. These programs will have beneficial side effects that are much more than military in the transfer of technology, in job generation, and even in the potential export of defense products.

For the moment, let me say this. To the officers and men of the Philippine Air Force, I assure you that you will have the planes, the weapons, and the equipment to match your competence, your patriotism, and your courage. [applause]

Now let me greet you once again, on your anniversary day today, on the graduation of the Philippine Air Force Flying School Class of 1992. May you continue to keep our flag flying and may the air of freedom [words indistinct] your support and your service with your proficiency. *Long live the Philippine Air Force.* [applause] *Long live the Philippine Air Force Flying School Class of 1992.* [applause]. *Thank you all.*

Local Governments, Police Plan Peace Initiatives

HK0107071792 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 01 Jul 92

[By Henry Umaga Diaz]

[Text] The Department of Interior and Local Governments [DILG] and the Philippine National Police [PNP] have prioritized the initiation of peace efforts for both ultrarightists and ultraleftists to bring them back to the mainstream of society. This statement was made by Rafael Alunan, DILG secretary-elect, while on the way to Camp Crame to talk to top PNP officials under the leadership of Director-General Cesar Nazareno.

According to Alunan, the peace initiative is consistent with the aims of the Ramos administration to bring back true peace in the country. He said ultrarightist and ultraleftist rebellion is the primary reason why Filipino society is disunited.

Meanwhile, Alunan promised that the DILG and the PNP will support the Anticrime Commission headed by Vice President Joseph Estrada. He also said that as part of President Fidel Ramos' programs, the professionalization and modernization of the police will also be taken into consideration.

Secretary Alunan promised that his office will coordinate with the Department of Justice and the Department of National Defense in improving their representation in Congress and the country's courts. He said this is needed in order to maintain peace in the country.

On Monday, former DILG secretary Cesar Sarino will turn over his powers to the incoming secretary, Rafael Alunan, in a ceremony in front of the PNP headquarters in Camp Crame at 8:00 a.m. on Monday, 6 July.

Think Tank Sees Some Growth Under Ramos

HK0107062492 Manila MANILA BULLETIN in English 1 Jul 92 p b-1

[Text] Signs of a "mild, sustainable growth" usher in the Ramos administration, a Hong Kong-based think tank said.

The Political & Economic Risk Consultancy, Ltd [PERC] noted in a country risk report on the Philippines that despite certain political and economic shortcomings, there is reason for some optimism, at least in the short term.

On the plus side, PERC cited the economic bounceback which was marked by the Manila and Makati stock exchanges "setting and breaking all-time highs on expectations that Ramos would bring much stability, further a strengthening and help bring in more foreign investment."

Other factors listed as going for the new government are:

1. President Ramos' pledge to keep the present framework of vital economic reforms... to help exporters and make life easier for foreign investors.

2. Adherence to existing foreign debt policy of continuing payments on the country's $28-billion debt and the $4.8-billion debt relief deal cut with commercial creditors abroad.

3. Continuation of the economic stabilization program negotiated with the International Monetary Fund so $350 million in loans previously committed by the IMF could be drawn.

PERC said that despite Ramos' shortcomings, having been elected by a mere plurality and being "vague when talking about policies," better times can be expected in the near-term.

"A continuing pickup in construction and purchase of big-ticket items (like the privatization of the Philippine Airlines) show the fledgeling economic recovery is gaining strength.

"Aggregate export shipments were up 11.6 percent for the first quarter of 1992, compared to the same period last year, according to the Central Bank."

Moreover, PERC conceded that despite up to 10-hour power blackouts in Metro Manila, the gross national product (GNP) grew by 2.04 percent compared to a contraction of 0.5 percent last year.

Ramos, Sison on Proposal for Rebel Amnesty

HK2806040592 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 Jun 92

[Text] President-elect Fidel V. Ramos has set aside the suggestion to grant general amnesty to all rebel groups during his administration. Ramos said he wants to continue out-going President Corazon Aquino's policy on selective and conditional pardon and executive clemency for both rightist and leftist rebels. He explained that he was prepared to open the doors of his administration to persuade the rebels to return to the fold of the government. However, he must also take into consideration the welfare of the Filipino majority, thus he requires the rebels to put down their arms and end their armed struggle before he gives them amnesty. He added that his administration may be liberal and generous especially to those rebels who have surrendered and are now detained in the different military camps.

Meanwhile, Jose Maria Sison, Communist Party of the Philippines chief, called on the incoming administration to release all political detainees to prove the government's sincerity in its proposal to grant amnesty to all rightist and leftist rebels. Sison said he was not surprised with the National Democratic Front's rejection of Ramos administration's amnesty offer because it was clearly a hoax.

In an interview with DZRH, Sison said Ramos' suggestion will only further divide the revolutionary movement and it will not solve the root problems of the armed struggle. [sentence as heard] He added that the suggested amnesty should begin with release of all political detainees, who were only airing their resentment against the government.

Honasan Defines Amnesty Demand

HK2906023392 Manila Far East Broadcasting Company in Tagalog 0100 GMT 29 Jun 92

[Text] Renegade Colonel Gregorio Gringo Honasan has stated that the Nationalist Revolutional Alliance [RAM] will not accept anything less than a general, total, and unconditional amnesty.

Gringo also said the amnesty should be offered as part of a peace program. He proposed that the cease-fire be included in the peace dialogues which would involve all political and social forces.

Honasan said RAM cannot accept the amnesty proposed by Armed Forces Chief of Staff General Lisandro Abadia.

Ramos Challenged To Reconcile

HK0107044592 Manila PHILIPPINE DAILY INQUIRER in English 1 Jul 92 p 14

[Text] Leftist groups yesterday challenged President Ramos to reconcile with the oppressed, implement basic reforms, enter into peace talks without any preconditions and come out with a negotiated political settlement with the different rebel forces.

The challenge by more than 2,000 students and workers who marched under the banner of the Bagong Alyansang Makabayan (BAYAN) and held the first protest rally at the foot of historic Mendiola bridge under the Ramos administration.

In a press statement, BAYAN said that Ramos would accept the challenge if "he is to remain true to his call."

BAYAN said that Ramos should immediately reconcile with the workers, peasants, urban poor and other marginalized sectors of the country—those he calls the poor and powerless—by reinstating the dismissed teachers, declaring a moratorium on all demolitions of urban poor communities, releasing peasant leader Jimmy Tadeo and providing substantial relief for peasants affected by natural calamities.

BAYAN said an export-oriented and debt-driven economy has done the nation the greatest harm and Ramos should take the lead in strengthening domestic production and the market by implementing genuine agrarian reform and nationalist industrialization.

At the same time, BAYAN also urged him to stop deregulating the economy and privatizing vital state enterprises.

BAYAN also urged Ramos to enter into talks without any preconditions, "most specially the laying the down of arms" because it reflects "bad faith" on the part of the government.

Malacanang for Unconditional Amnesty

HK0207114792 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Jul 92

[By Dick Sinchongco]

[Text] Malacanang is in favor of granting an unconditional amnesty to leftist and rightist rebels.

Press Secretary Rod Reyes said Malacanang is now thoroughly studying the kind of amnesty it will grant the rebels.

Earlier, congressmen sought an unconditional amnesty for all rebels.

Cagayan Representative Juan Ponce Enrile, after taking his oath of office before President Fidel Ramos in Malacanang, said he supports a total, unconditional, no questions asked amnesty.

Sorsogon Representative Bonifacio Gillego said amnesty should be unconditional.

Pangasinan Representative Jose de Venecia said cooperation by every sector is important for the country's progress.

Makati Congressman Joker Arroyo said an amnesty could not be considered a real amnesty if it comes with conditions.

Honasan on Conditions for Talks With Government

HK0107033792 Manila BUSINESS WORLD in English 1 Jul 92 p 1

[By Exequiel S. Molina]

[Text] "Amnesty is not the issue. What we are trying to do is to refocus on the eight talking points we brought up during our aborted peace talks with General Abadia last year.

"The Government keeps calling these talking points demands. We are simply articulating the grievances of the people who don't have any chance to say what they sincerely believe should be done to reform the Government," Lt. Colonel Gregorio "Gringo" Honasan told me over a Chinese meal in his hideout Sunday [28 June] night.

I was brought there by some of Gringo's friends. As usual, we rode in a car driven by one of his men and were requested to put on sleeping masks like those issued by airlines to their passengers "for security reasons."

We arrived there earlier than Gringo, who I didn't readily recognize because he was clean-shaven and wore glasses. He was dressed like a golfer, complete with hat. He looked trim, much younger than his 44 years.

Gringo was carrying two plastic grocery bags when he walked in. I asked where he had been.

"Out shopping," he answered, smiling.

After exchanging the usual pleasantries, we sat down to dinner, but not after Gringo himself checked the security measures so that we could have a quiet meal, uninterrupted by "uninvited guests."

Gringo feels that an amnesty should be the result of careful negotiations between the RAM [Revolutionary Nationalist Alliance] and the Government.

"We can't just rush into it without due consideration to the talking points we presented last year. We want to make sure the Government is sincere in its attempts to undertake the reforms we have been fighting for.

"If an amnesty will be given by the Government, in palatable terms, it can be viewed by everyone as an act of magnanimity by a government that is strong, stable and firmly in control of the situation.

"Less than a general amnesty will be acceptable, because it recognizes the legitimacy of our cause.

"It will lead to peace among the brave coalition among equals and negotiation with honor. All the parties involved will come out feeling that everyone accomplished his goal. It should be a win-win situation for all concerned, with nobody claiming he got the best deal," Gringo said.

Due to all those recent reports about an amnesty offer, Gringo has been approached by many feelers.

"Obviously, the Government is trying to rush things before the presidential inauguration. They want to set the tempo. But we won't dance to it. We will consider every aspect slowly and deliberately.

"First, we have to consider President Ramos's validity as a national leader what he was before, what he is today, and what he will be tomorrow.

"If he is sincere after the proclamation, and if we notice changes indicating that he wants to do a good job, then we can sit down and talk," Gringo said.

8 Talking Points

The eight talking points which he believes should be the basic issues are:

1. Electoral reforms. The questionable results of the May 11 elections emphasize the need for safeguards, controls and reforms in the electoral process.

2. A dialogue for national unity and survival involving all political and social forces.

3. Attainment of good, honest and efficient government for national renewal and transformation.

4. Immediate and irreversible withdrawal of foreign troops from the country.

5. Immediate and unconditional return of Marcos's remains for internment and appropriate honors. This issue symbolizes the culture of hate and vengeance which

continues to divide the nation. We must purge ourselves of this culture now, together with the mortal remains of Marcos.

"You know, I think that future historians will be kinder to Mr. Marcos despite all charges that he enriched himself while in office.

"I say this because during the EDSA [Epifamis de los Santos Avenue] affair in 1986 when the RAM forces stood with the people, Mr. Marcos could have easily ordered his troops to fire on the people. I hate to think what a bloody carnage it could have turned out.

"Despite General Ver's protests, Mr. Marcos didn't give in to suggestions that military force be unleashed on the people gathered at EDSA.

"On the contrary, Cory Aquino and her cohorts didn't hesitate to call on the U.S. Air Force to bomb us during the 1990 coup. It was a purely internal affair and yet, a foreign power was called in to kill Filipinos. Whatever happened to all that loud talk about Philippine sovereignty?" Gringo recalled sadly.

6. Implementation of nationalist economic development and policies. The lifting of restrictions implemented by the Cory regime in areas of investment, trade and finance, virtually places the economy at the mercy of foreign developed countries.

7. Actualization of social justice programs to positively address poverty, unemployment and criminality.

8. Address national defense and security concerns and attune these to the country's fundamental requirements and aspirations.

"Can the Ramos Administration rise above traditional politics to pursue national unity and progress with courage, vision and statesmanship? If the new leadership can achieve this, it may render RAM irrelevant. In such an event, we're only too willing to go back and help the Government carry out these reforms.

"There is nothing new in these issues. They have been with us for so many years. A succession of leaders have tried to solve these problems but, so far, no one has yet succeeded.

"Of course, we are not so naive as to expect any fast-track solutions. But these issues must be addressed and given due importance.

Spent Force?

"The Government has been making announcements that RAM as a force has been neutralized and no longer constitutes a threat. If that is so, then the Government can take risks and be magnanimous by offering a general amnesty.

"Every time it thinks that we are going to move, they dangle the amnesty thing to make us look bad to the people in case we try to do anything," Gringo said.

"The Armed Forces of the Philippines is still divided and led by unprofessionals. Our tactical and political base is inside the AFP. The RAM still commands the loyalty of the biggest chunk of the AFP, including the young officers. This is our claim.

"The Government has its own claims. But it's easy to determine who's telling the truth. Our ranks have been bolstered by new friends and supporters who were chosen according to our qualitative standards."

Among the Cabinet men that Gringo admires is Rafael Alunan, who has been sending out feelers for a talk, prior to any negotiations.

"I'm impressed by his sincerity.

"Raffy's head and heart are in the proper place," Gringo said.

We could have gone on talking, perhaps for the rest of Sunday evening but a telephone call from his operations staff sent Gringo off into the dark night to meet his comrades.

"Let's keep working for better times, through peaceful means. God bless," he said as he gave me a parting embrace.

If anything, Gringo is quite sincere in his love of country and desire to make life better for all Filipinos, especially those he calls "the disenfranchised masses."

The Electoral Process

During dinner he said that our elections, the way we continue to hold them, may not generate the necessary structural reforms.

"It is very much prone to the manipulation, subtle control and pervasive influence of the so-called political and economic power elites.

"The dubious winners have too much 'baggage' to generate the necessary political will required for decisions which should make a difference in the lives of the majority.

"Call me an incurable romantic but I still believe in miracles and the capacity of personalities, people, and systems to change. I just hope that it will not take too much revolutionary impetus and time to make this happen.

"It is also right for citizens like us and many others to hope that these improvements in our children's lives and opportunities will just begin to take place within our very short but interesting lifetimes," Gringo said.

Police Thwart Attempt To Blow Up Municipal Hall

HK0107134292 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 1 Jul 92

[Text] Alerted policemen were able to thwart an attempt to blow up the Pasig Municipal Hall last midnight. The police believe that ultrarighist rebels are responsible for the bomb attempt. Bomb disposal experts were able to uncover around 30 dynamite sticks minutes before they were scheduled to explode.

Pasig Police Superintendent Dominador Garcia said he immediately sent policemen to the area after receiving a phone call from an anonymous citizen who claims to have witnessed the planting of the dynamite.

Forces in Manila Increased for Rebel Attack Plan

HK0207021692 Manila Far East Broadcasting Company in Tagalog 0100 GMT 2 Jul 92

[Text] The authorities have increased their forces in Metro Manila following reports that rightist rebels are again planning attacks on various establishments in the city. The rebel soldiers are reportedly responsible for the series of bombings on three branches of the Banco de Oro bank in Quezon City and Light Railway Train station on 5th Avenue in Caloocan City.

Rebel soldiers bombed the Banco de Oro branches in Quezon City due to the refusal of owner business tycoon Henry Sy to give money to them.

Police intelligence reports said Sy has admitted receiving letters from the Reform the Armed Forces Movement-Soldiers of the Filipino People-Young Officers Union demanding money. However, the rebels failed to extract any amount from Sy and this resulted in the bomb attacks on the banks. The bombings allegedly are meant to send Sy a message and to warn possible victims.

Thailand

Asa Reports on Trip to Manila

BK0107125792 Bangkok Radio Thailand Network in Thai 1200 GMT 1 Jul 92

[Text] This afternoon, Foreign Minister Asa Sarasin returned from Manila after attending the Philippine presidential inauguration ceremony. Speaking to reporters, Asa said he represented Thailand at the ceremony. He had the opportunity to talk with General Ramos on general issues. Asked if the Philippine president plans to visit Thailand, Asa said a visit will have to wait a while until the situation in both ASEAN countries is better. He said the Philippine president expressed concern about the recent situation in Thailand and was pleased to learn that the situation has returned to normal. The president also affirmed that all forms of cooperation between his country and Thailand will continue. Asked if officials of ASEAN countries held a formal meeting in Manila, the foreign minister said the meetings were ordinary, no significant issues were discussed.

Editorial Views Abolition of Peacekeeping Act

BK3006042992 Bangkok BANGKOK POST in English 30 Jun 92 p 4

[Editorial: "This Relic of Dark Days Past Must Be Repealed"]

[Text] Under normal political circumstances, the House of Representatives would be applauded for its resolve and dedication in passing all three readings of a bill in a single stroke that would effectively bar any further use of military force to quell civilian dissent. The notorious Internal Peacekeeping Act has provided the legal basis for Supreme Commander ACM [Air Chief Marshal] Kaset Rotchananin, empowered by law as the Internal Peacekeeping Director, to order the military crackdown on pro-democracy demonstrators which led to bloodshed in the May crisis. As such, it is the rightful duty of responsible legislators to see to its speedy abolition so that such a pretext can never be invoked again.

But the legislative exercise yesterday appears to have been in vain. Despite its three-reading passage, the bill seeking to abolish the Internal Peacekeeping Act will be automatically dropped as a result of the parliamentary dissolution. A suggestion by some MPs for the Government of Prime Minister Anan Panyarachun to issue a royal decree to effect the abolition would probably find sympathetic ears among the plethora of pro-democracy groups that want to see the controversial act abolished to prevent a repeat of the May tragedy. But since the issue does not directly conform with the criteria befitting the issuance of such a decree—it normally deals with urgent finance matters of national significance—it is unclear whether the suggestion will be heeded by the Government.

Even if the abolition cannot be achieved during the current government's tenure, it should be accorded top priority by the new House of Representatives that will come into being after the September election. Notwithstanding the real motives behind the legislators's action yesterday—some sceptics charge it was designed to win electoral support—their decision to demonstrate the urgency of the matter at least constitutes a commendable symbolism. The symbolic record has now been set; the matter must be put among the very first items on the agenda of the new House. Indeed of the various policy issues and specific subject matter that will be raised during the campaigning period, political parties that are genuinely determined to see the controversial Act abolished can make this one of their campaign pledges.

The Internal Peacekeeping Act represents one of the last vestiges of dictatorial powers stemming from the dark days following the bloody coup of October 1976 that have no place in modern-day Thai society. Another draconian handiwork of the coup makers at the time that was finally put to rest less than two years ago was the notorious National Administrative Reform Council Order No. 42—or known in brief as Decree 42—which for nearly 15 years had been used by the powers-that-be to muffle the Press. It was only after a concerted campaign waged by the local Press fraternity and supported by other sections of the Thai intellectual community through the course of 1990 that finally convinced the Chatchai Chunhawan government at the time to repeal it. On hindsight, it was most unfortunate that 16 years after it was enacted, the other law providing sweeping powers to the Supreme Commander in quelling civilian unrest has eluded parliamentary scrutiny all along and remained intact.

The logic and reason for a speedy abolition of this law are crystal clear. Freedom of expression through peaceful demonstrations is a fundamental right guaranteed in all civilised societies. There exists various civilised means to deal with a demonstration even if it turns into a riot; the universal practice is by employing well-trained and well-equipped, anti-riot police squads. The power entrusted in the military brass to quell dissent was made by default and left uncorrected for far too long. After the enormous damage wrought on the country by the military-inflicted bloodshed last month, any legal framework that would allow a repeat of such incidents must be completely abolished.

Kaset on Abolition of Law

BK0107131592 Bangkok Radio Thailand Network in Thai 1200 GMT 1 Jul 92

[Text] Speaking to reporters this morning, Supreme Commander and Air Force Commander Air Chief Marshal Kaset Rotchananin said he has received no specifics about the policy on restructuring of the Armed Forces, but he is ready to support all aspects of Armed Forces development. He said it is possible to abolish the Internal Peacekeeping Act to suit the situation.

[Begin recording] [Kaset in progress] ... the best development of the Armed Forces. I have receive no specifics about Armed Forces restructuring policy.

[first reporter] The parliament has voted to abolish the Internal Peacekeeping Act; what is your position?

[Kaset] Actually an abolition would relieve soldiers of a responsibility which they really do not cherish. We had to perform our duty in accordance with the law. There is no problem if the act is to be abolished.

[First reporter] Do you think the forces associated with the act are necessary in the current situation?

[Kaset] In certain situations they are necessary. [sentence indistinct] [end recording]

Kaset, Itsaraphong Testify to Committee on Unrest

BK0107151392 Bangkok Army Television Channel 5 in Thai 1230 GMT 1 Jul 92

[Text] Air Chief Marshal Kaset Rotchananin and General Itsaraphong Nunphakdi gave evidence to a government committee investigating the May unrest. Air chief Kaset Rotchananin, supreme commander and Air Force commander in chief, and General Itsaraphong Nunphakdi, Army commander in chief, testified to General Wichit Wichitsongkhram, chairman of the second subcommittee of the government committee investigating the May unrest, at Ban Phitsanulok this evening. Chairman of the Government Committee Sophon Ratanakon also attended the testimony and questioned the two military leaders. Air Chief Marshal Kaset testified for about one hour while General Itsaraphong's testimony lasted for about two hours.

After the testimony, Sophon told reporters that the two military leaders had said that the military operation of Capital Security Command [SCC] had been carried out in accordance with a plan prepared for dealing with possible violence. Such a plan had been used in the past to end the hijacking of a Burmese airplane by Burmese students and the hijacking of an Indonesian airplane. Sophon also said that the two persons had also reaffirmed that the CSC had carried out other measures before using the plan.

[Begin recording] [Sophon] Both of them had been very cooperative and were satisfied with the testimony. They also suggested that they will come to testify to the committee again if the committee wants.

[Uunidentified correspondent] What will be the committee's next action?

[Sophon] We will sum up the evidence given by all persons concerned. I would like to tell you here that the Army commander had said that he was glad to give testimony. The Army commander said that they felt helpless after the incident because they did not have a chance to talk about the incident with anybody. They felt relieved when we give them an opportunity to give evidence.

[Unidentified correspondent] Did the Armed Forces commanders express sorrow and concern over the incident during the testimony?

[Sophon] Everybody was sorry and felt uneasy over the incident.

[Indistinct question by an unidentified correspondent]

[Sophon] We have to understand that the soldiers have plans in advance whenever they go to do anything. They have their specific plans to deal with each situation.

[Unidentified correspondent] Has the committee gathered sufficient evidence to sum up the May incident?

[sophon] We have to speed up. I want to complete the investigation as soon as possible. [end recording]

Use of Force 'Procedurally Correct'

BK0207013392 Bangkok THE NATION in English 2 Jul 92 pp A1, A3

[Text] The use of lethal force against pro-democracy protesters during May 17-20 was "procedurally correct" and ex-prime minister Suchinda Khraprayun may not have been involved in the actual bloody crackdown, based on evidence at hand, the chairman of the government committee investigating the bloodshed said yesterday.

"(The committee) has yet to decide whether or not Gen Suchinda must testify in person. But I should think Gen Suchinda was not involved, as the application of force was made in the context of the (pairee pinaat or 'crush the enemy') operation," Sophon Ratanakon said.

Sophon, a former Supreme Court chief justice, was responding to reporters' questions on whether the committee should summon Suchinda to testify in connection with the killing of unarmed civilians by troops.

He said the Capital Peacekeeping Command was authorized by the National Peacekeeping Force to implement the pairee pinaat operation, which provides standing guidelines on how security forces should apply progressively violent measures to correspond with rioters' actions.

But Gen Wichit Wichitsongkram, a member of the investigation committee, said the committee needed more circumstantial information before it could decide whether the use of force against protesters was justified.

"We (the committee) are in the process of fact-finding. I cannot say whether (the use of force) was appropriate or not," Wichit said.

The chairman made known his tentative judgement on the sensitive issues after senior military officers directly involved in the crackdown testified in person before the committee yesterday afternoon.

Among the military officers who showed up at the committee's temporary office at Baan Phitsanulok were Supreme Commander ACM Kaset Rotchananin, Army Commander in Chief Gen Itsaraphong Nunphakdi and First Army Region Commander Gen Chainarong Nunphakdi.

ACM Kaset was the first to arrive at Baan Phitsanulok, a government guesthouse, escorted by 30 bodyguards. The supreme commander stayed about one and a half hours before leaving without speaking to reporters.

"Could you comment on the people's call for you to step down?" a reporter shouted at Kaset as he left the committee's office. The question was ignored.

The committee spent more than three hours questioning the military officers at the government guesthouse which was under tight security, manned by at least 60 military police and policemen.

Speaking to reporters at a press conference, Sophon said he was told by the military officers involved that they did not order the shooting of protesters.

At least 52 people were killed and hundreds injured. Eyewitnesses and protesters say they believe the actual death toll could be much higher than that as more than 700 people are still unaccounted for.

"They (the military officers) said they had nothing to do with (the order to fire on protesters) and that they were not involved in any anti-riot operation at the time of the crackdown," Sophon said. "Troops were deployed only to help police (restore order)."

He also said he was told by the officers that troops had to fire live bullets into the crowd because they had no rubber bullets with them.

Asked what reason was given by the officers for not using tear gas to disperse the protesters, Sophon offered his personal opinion, saying: "As far as I know tear gas is used only in enclosed areas and not in the open. Besides, military troops did not have tear gas, although police did."

The chairman said Itsaraphong told the committee he was pleased to have the opportunity to clarify his role during the crackdown.

All military officers who testified yesterday promised to cooperate fully with the committee, Sophon said.

Kaset Defends Soldiers

BK0207011992 Bangkok BANGKOK POST in English 2 Jul 92 p 3

[Text] Supreme Commander Kaset Rotchananin yesteday insisted that soldiers involved in the crackdown on demonstrators during the May 17-20 anti-Suchinda protests had done their best according to the law.

ACM [Air Chief Marshal] Kaset made the remark at Don Muang air base yesterday when asked to comment on a report by Parliament's fact-finding committee that the military had overreacted during the crackdown.

"We did our best in performing our duties. What happened is already being investigated by fact-finding committees," said ACM Kaset who is director of the Internal Peace-keeping Command that was responsible for ordering the Capital Security Command to quell the demonstrators.

Asked to comment on a call by Parliament for revocation of the Internal Peacekeeping Act, ACM Kaset said he and the Supreme Command have no objections.

However, he said, national security must also be considered before revoking the law.

"Whenever national security is concerned, we have to perform our duties according to the law," he said.

Commenting on Defence Minister Gen Banchop Bunnak's policy to restructure the armed forces, ACM Kaset said he did not know for sure what the policy is like.

He said he would try his best to ensure the progress of the armed forces.

Subcommittee Accuses Suchinda

BK0207033792 Bangkok BANGKOK POST in English 2 Jul 92 p 1, 3

[Excerpts] Former prime minister Suchinda Khraprayun ordered the use of force to crush the May 17-20 prodemocracy protests in which scores of people were killed and hundreds injured, top military commanders testified yesterday. [passage omitted]

Talking to reporters earlier after the top military commanders testimony, Gen Wichit Wichitsongkhram, chairman of the Government-appointed subcommittee, said Gen Suchinda gave orders to ACM [Air Chief Marshal] Kaset, director of the Internal Peacekeeping Command, to execute the Phairee Phinat (Enemy's Destruction) plan and ACM Kaset in turn ordered Gen Itsaraphong to use force to crush the protests on Ratchadamnoen Avenue.

Gen Itsaraphong is commander of the Capital Security Command.

Gen Wichit said both ACM Kaset and Gen Itsaraphong testified to the subcommittee that Gen Suchinda had given orders to ACM Kaset to "defend the city" at all costs.

The Phairee Phinat plan, conceived years ago, was initially drawn up to counter coups and piracy, the subcommittee chairman said.

It was basically a step-by-step non-violent plan moving "from deployment of light to heavy weapons" as the situation demands, the panel was told.

The troops deployed under the plan, including those from the provinces, to replace the police who were no longer capable of handling the situation, were not equipped with rubber bullets or tear gas, Gen Wichit said.

Gen Wichit refused to disclose how many troops or how much force was deployed, saying the precise details have yet to be established, but he pointed out that troops from the provinces were deployed to give those based in the city a break.

The troops initially fired live bullets in the air and later at the people but the subcommittee chairman refused to comment when asked if the plan was enforced too brutally, saying the panel needed more time to reach a conclusion.

Asked if Gen Suchinda will be called to testify, Gen Wichit said it depends on whether his testimony would be "necessary." [passage omitted]

Chat Thai Party Elects Chatchai as Party Leader

BK0207012392 Bangkok BANGKOK POST in English 2 Jul 92 p 3

[Text] The Chat Thai Party yesterday voted for the return of former prime minister Chatchai Chunhawan as party leader, replacing Sombun Rahong who resigned effective yesterday.

Gen Chatchai, who quit the party leadership last year, is due back this morning from London. A group of party members are to welcome him at Don Muang airport.

The party yesterday also re-elected Banhan Sinlapa-acha as secretary-general and the other key positions remain unchanged.

ACM [Air Chief Marshal] Sombun yesterday chaired a meeting of the party executive committee.

He said Gen Chatchai was chosen to again head the party based on his capability and experience in politics, and military, economic and foreign affairs.

"Gen Chatchai has already proven his capability. I dare say there is scarcely anybody who is as equally capable as he is," said ACM Sombun, adding that he believed Gen Chatchai's comeback would be welcomed by most people.

ACM Sombun said Gen Chatchai would accept the party's offer for the sake of the country "and also for the fact that he is one of the founders of the party".

He said the former prime minister had not set any conditions on his return to the party.

Several Chat Thai members have left the party, but ACM Sombun said they would find it difficult setting up a new party.

A party source said ACM Sombun told the meeting yesterday he would personally "shoot" Gen Chatchai if he turned down the offer of the party leadership.

The source said all those present, except for a group led by deputy leader Watthana Atsawahem, pledged to stay with the party and contest the next election under the party banner.

Mr Watthana reportedly told the meeting his group would only remain with the party if Gen Chatchai was made party leader and Mr Banhan the secretary-general.

The source also quoted Mr Banhan as saying he had no plans to become party leader because his astrologer had advised against this for fear of a fateful event.

Deputy leader Det Bunlong said the party was not worried about its image in supporting former prime minister Gen Suchinda Khraprayun.

He said the party would make use of the findings of the House committee investigating the May 17-20 incidents to repair its image.

Party spokesman Prathuang Wichanapricha claimed the party expected to win at least 60 seats at the next election. It won 73 seats in the last poll.

Sombun, Athit Resign From Parties

BK0107125192 Bangkok Radio Thailand Network in Thai 1200 GMT 1 Jul 92

[Excerpt] Air Chief Marshal Sombun Rahong has confirmed his intention to resign as the Chat Thai Party leader, noting that he already tendered his resignation. He personally feels that General Chatchai Chunhawan is the person most suitable to be new party leader. He noted that several party officials appealed to him to remain with the party as an adviser but he has not made a decision.

Meanwhile, General Athit Kamlang-ek, a Samakkhi Tham Party adviser, has also resigned from that party. He may rejoin the Puangchon Chaothai Party or join another party. [passage omitted]

New Limits on Electoral Fraud Potential Seen

BK3006012792 Bangkok THE NATION in English 30 Jun 92 p A6

[Editorial: "Despite Everything, This Election Should Be Cleaner"]

[Text] Premier Anan Panyarachun is to symbolically return government power to the people today by dissolving the House and calling a general election for Sept 13. From now on it is up to all of us, particularly the politicians, the eligible voters, the poll watchdog volunteers and the election authorities to see to it that the election is fairly contested and cleanly held.

Many pessimists dismiss as wishful thinking the Anan administration's policy of curbing vote-buying and other electoral fraud. They say most of the same old faces will likely be able to cheat and buy their way back into the House regardless of who is monitoring the campaign or organizing the poll.

However, there are still some reasons to believe that the election will be cleaner this time, or at least not as dirty as that of March 22, in which vote-buying and fraud were considered the worst in recent years. The following are the major causes for some guarded optimism:

—The Anan II government, unlike the Anan I, is free of military control. In Anan I, there were eight senior military officers from the coup-makers' National Peacekeeping Council [NPKC] in the Cabinet. The current caretaker administration is genuinely neutral and is not backing any parties in the election.

—The Interior Ministry is now under the control of Interior Minister Pol Gen [Police General] Phao Sarasin, who is also serving as deputy premier for security affairs. The integrity of the deputy premier and his Sarasin family is impeccable. Interior Minister Phao's elder brother Phong, also a former deputy premier, has declined to return to parliamentary politics despite persistent requests of his colleagues and followers who use to be in Phong's camp in the Social Action Party; Phong was afraid his return would have put Phao and the Anan II government in a very awkward position. During the Anan I government, then deputy army chief Gen Itsaraphong Nunphakdi, who was also the NPKC's secretary-general, was the interior minister. Gen Itsaraphong's claim of impartiality lacked credibility because it turned out that the NPKC was actively working on a scheme to install then army chief Gen Suchinda Khraphrayun in the premiership after the March 22 election.

It was no accident that Samakkhi Tham, the party founded under mysterious circumstances to serve the NPKC, won the largest number of House seats in the previous election. But Samakkhi Tham is breaking apart as its reason for existence has evaporated following the disgraceful downfall of Suchinda from the premiership and the humiliating failure of the Samakkhi Tham-led coalition to pass on the premiership to Chat Thai leader ACM [Air Chief Marshal] Sombun Rahong.

—Sombun will soon leave Chat Thai and wash his hands of parliamentary politics for good. Samakkhi Tham elader Narong Wongwan, too, is going to step down. But the abrupt departure of these two leaders is unlikely to remove the pro-Suchinda stigma from their parties.

—The next premier will have to be chosen by and from the membership of the House. Only MPs are eligible to hold the premiership according to a recent constitutional amendment which will go into effect before the Sept 13 election.

—The revived Poll Watch will have a more active role in monitoring the campaign. Other non-governmental groups, including the Confederation for Democracy—which spearheaded the anti-Suchinda movement in the May crisis—and watchdog groups to be set up and funded by private donations, can help keep an eye on candidates and their vote canvassers.

—the state-owned mass media and the independent press will also have an active role in raising political awareness among the electorate and putting pressure on political parties to address national issues.

Of all the above, the most important one is the absence of the military's de facto control of the country—as was manifest in the NPKC and the Interior Ministry under Gen Itsaraphong during the Anan I government. This has forced several senior politicians in the pro-Suchinda parties to step down or switch parties along with their followers. These politicians will have to contest the election without any boost from their former military backers.

Two general elections within 75 weeks may be too much and abnormal.

But if we can elect a much better crop of politicians to the House this time and a more democratic and responsive government can be formed after the election, then all the sacrifices of the May crisis, including the loss of life, will have not been for nothing.

Minister Sets Up Committees

BK0107045392 Bangkok THE NATION in English 1 Jul 92 p A2

[Text] Interior Minister Pol Gen Phao Sarasin said yesterday he had appointed two special committees to ensure a clean and fair general election in September.

The committee for the suppression of influential personalities and the committee for countering vote-buying are to be supervised by Interior Minister Permanent Secretary Anan Antrakun.

The former was designed to curb local influential figures who might try to influence the outcome of the election and to frustrate any attempts at political killings, Phao said. In the past, "killings for private reasons were made to appear to be linked to election politics," he said.

Election officials who find themselves hard-pressed by a conflict of interest should ask the interior permanent secretary to transfer them, said Phao, who is also deputy prime minister.

The category of "No Politician of Choice," which was on the ballots in the March 22 election, should be retained in the forthcoming election, while a proposed change in the location of vote-counting was still not settled, Phao said.

Vote-counting juries would be reshuffled among polling stations in an attempt to thwart any vote-buying.

Paper Views Need for Committee

BK0207013192 Bangkok BANGKOK POST in English 2 Jul 92 p 4

[Editorial: "Make Use of Experience Gained by Poll Watch"]

[Text] The PollWatch committee, which was set up by the Anan I Government ostensibly to ensure a clean election on March 22, has submitted a 1,000-page report of its activities during the election to the man in charge of the Anan II administration, Prime Minister Anan Panyarachun. That Poll Watch was less than successful in fulfilling its role was its legal status. This was little more than that of a 'paper tiger.'

The report, though "confidential," could be the agency's most significant contribution towards cleaning up the electoral process in Thailand, for it documents "instances of vote-buying by certain key members of political parties and candidates, as well as irregularities committed by government officials."

But, surprisingly, the report is not to be published. This raises the question of why? Is it too hot to handle, suitable only for the mature eyes of our leaders, but not for the delicate sensibilities of the public? What good reason exists for not publishing the document? There is every reason to believe that it is factual and accurate. And the truth has always been the best defence against anyone wishing to draw further attention to him or herself by suing for alleged defamation. After the national trauma of May, is the public still deemed unready or too immature for politics in the raw?

In looking at whose interests are served by keeping the PollWatch report secret, let us be candid and recognise the fact that there are a number of rogues or worse in Parliament whose only motive for serving the public is to serve themselves. Why should the unscrupulous, illegal practices employed by these MPs to get themselves elected be hushed up or pigeonholed? What, in fact, was PollWatch set up to accomplish if not to document and expose the corruption that for too long has been viewed as an essential ingredient of the electoral process?

The report cited the millions of baht spent by certain of our elected representatives to win their seats and the deprivation they suffer if the House is dissolved before they have had the time to recoup their treasure chests of money. Herein lies the significance of PollWatch, for it names the candidates, their accomplices and the officials and police who either aided and abetted or ignored the malpractices of the candidates and the protestations of the PollWatch observers.

And, in the election scheduled for September 13, many of these same candidates will be standing in their former constituencies, hoping to entice enough votes to send them back to Parliament. What better timing could there be to set the scene for an honest election than by throwing a scare into the wrongdoers who think they can get away with anything? PollWatch was set up by an administration regarded as Thailand's first totally "clean" government in recent history. That a government containing many of the same ministers as the one responsible for PollWatch's existence happens to be in power when the report is submitted should be considered a real stroke of fortune. And acted upon.

For if this government is truly sincere about creating an environment and the machinery to produce a clean election—and we know that it is—it should do not less than expose the dirty work that PollWatch documented in the last election. "No time for electoral reform," announced Pol Gen Phao Sarasin last week, which must have warmed the cockles of the Interior Ministry's bureaucratic hearts. For this is the agency almost universally regarded as the biggest single obstacle to fair and free elections.

A great national catharsis has followed the trauma of the May Massacre. Perhaps for the first time in the country's history, the iniquities and inequities that have permeated so many of the country's institutions are being exposed, probed, scrutinised and questioned. Thailand is just beginning to feel the salubrious effects of fresh air and daylight circulating through these institutions.

Why cannot the same exorcism follow an exposure of the electional process now that we have full chapter and verse on the purloiners of our votes, our tax money, our natural assets; now that we have documentation of their illicit activities, of the corruption and conniving that puts self-interest before the national or community interest. We should not need reminding that openness, transparency and accountability are key values on which a democratic society thrives.

Anan Signs Order on Committee To Overhaul Media

BK3006022392 Bangkok THE NATION in English 30 Jun 92 p A2

[by Chintana Panya-awut]

[Text] A committee assigned to overhaul state-controlled media so that it can cover events independently has been formed by the premier with PM's [Prime Minister's] Office Minister Michai Wirawaithaya as chairman.

The order, signed by Prime Minister Anan Panyarachun on June 26 and issued to the press yesterday, said the committee is to consider amendments to the laws and regulations covering state-controlled mass media so as to allow more freedom of expression in line with democratic principles.

According to the order, the committee will suggest to the premier possible measures to protect journalists who perform their duty according to jounalistic ethics from official harassment.

The committee has also been asked to formulate measures to instill democratic consciousness in the people.

It said the committee will then submit a report to the prime minister for further consideration.

At the height of the political tension which led to the military massacre last month, the electronic media was widely condemned for distorting news reports about pro-democracy demonstrations.

More than 30 reporters were wounded, some seriouisly, by troops as they were covering the demonstrations on Ratchadamdoen Avenue from May 170-20.

Three newspapers were ordered to close at that time but the edict was later revoked.

Meanwhile, MPs discussed during the House meeting yesterday ways to protect reporters' security by proposing a draft bill to guarantee the people's right for information and restructuring the electronic media by allowing a role for the private sector.

The MPs then reached a resolution to forward the matter to the government for consideration.

Deputy Commander Supports Anan's Anti-Coup Views

BK0207012792 Bangkok BANGKOK POST in English 2 Jul 92 p 3

[Text] Deputy Supreme Commander Wimon Wongwanit threw his support behind Prime Minister Anan Panyarachun's call for civil disobedience in case of another coup d'etat.

"I agree with the Prime Minister. The people will have to protect the national interest. A military coup even for the sake of the country and the people, should not be carried out if it is opposed by the people," Gen Wimon said.

Mr Anan, during a television programme marking the 60th anniversary of Thai democracy on June 28, called for civil disobedience against any future coups.

Gen Wimon, meanwhile, denied knowledge of widespread speculation that he may be promoted if the present military top brass are transfereed as a result of the military's brutal crushing of pro-democracy protests on May 17-20.

"I know nothing about it. Soldiers only follow orders. This (the promotion) will depend on the Defence Minister. I cannot say anything," he said.

On reports that he may be appointed army commander-in-chief, Gen Wimon said he has been moved to Supreme Command headquarters and will have to be promoted through that channel. He said he did not know if he will be transferred back to the Army, saying this depends on the Defence Minister. He was confident that the Defence Ministry's committee investigating the May bloodshed will be fair and honest. He said the best officers were selected for the committee and they will be fair and honest.

Gen Wimon declined to comment on finding by a Lower House committee that the military had overreacted against the demonstrators.

"A committee should not include members who were involved in the incident the committee is to investigate," Gen Wimon said, apparently referring to the investigation committee appointed by the Government, which includes senior army officers widely known to have close connections to military chiefs who ordered the crackdown.

Gen Wimon said he agrees with the widespread call for the military to stop meddling in politics. He said the military should stay out of politics, but as individuals it is duty of all Thais to be responsible for the country.

Soldiers should not use their positions to further their political interests, he added. Neither should soldiers interfere in elections or formation of the government, he said. He declined to say if the Capital Security Command—which led the crackdown—should be disbanded.

"I have not studied the issue. Everyone should study the pros and cons before making a decision," Gen Wimon said.

'Good Politicians' To Be Supported Financially

BK2806025392 Bangkok THE NATION in English 28 Jun 92 p A1

[Text] Some of Thailand's most influential business people and technocrats, shareholders of the long-established Business Management Service Co Ltd (BMS), expect to raise as much as Bt1 billion [baht] to help finance what they term "good politicians" in the upcoming election.

They also indicated that they may consider forming a political party after the election if the political system becomes more open in the future, a group member said yesterday.

But Phairot Wongwipanon, a BMS shareholder, said for the time being the group will bankroll selected politicians and launch a campaign to educate rural voters on the May violence.

"We will largely concentrate on playing a supportive role for the September election. Very few from our group, if any, will run in the polls," he added.

Phairot said that the group had yet to work out a plan to raise funds to serve their purposes.

But he believed that between Bt500 million and Bt1 billion could be raised from the group members to give financial support to selected politicians.

For other political activities carried out by the group, Phairot said that expenses might not be so high.

BMA comprises some 80 shareholders, about half of whom have been participating in recent brainstorming discussions to consider the group's involvement in the political arena to help promote democracy.

Of the participants, about 15 are fairly active, according to Phairot, who is an economist at Chulalongkon University.

Phairot said that at the latest meeting of the group last Wednesday, the participants concurred that the group's political activities would have nothing to do with BMS and that outside people would be welcome to join.

The group's members also agreed that they would launch a two-track strategy to help enhance the quality of the new House to be elected in September.

They divided themselves into two groups for that purpose—one to concentrate on activities aimed at educating voters, particularly those in rural areas, on individual candidates' stands and conduct during the May political crisis, while the other would study ways to screen good candidates and render financial support to them.

The first working group is chaired by Phaibun Watanasiritham, a former executive at Thai-Thanu Bank and now working at the Foundation for Rural Rehabilitation of Thailand, said Phairot, who belongs to this group.

Olan Chaiprawat of the Siam Commercial Bank is heading the other working group which includes Thanadi Sophonsiri, who is BMS president and managing director of Nava Finance and Securities.

Phairot said that at the brainstorming session, the participants seemed to share the feeling that politicians in the former opposition bloc in general, as well as those who proved themselves during the political crisis, should be given financial support by the group.

"We discussed it in general terms. The tacit understanding is that we would like to see the former opposition parties gain more seats in the election and deter candidates from the other camp.

"But when it came to details, some of us felt that runners to be fielded by the New Aspiration Party may not need our financial support.

"Moreover, such good politicians as House Speaker Dr Athit Urairat could also receive our support, particularly in the likely circumstance that he defects from Samakkhitham Party," Phairot said.

However, he said that the group was not opposed to a scenario in which some former government and opposition parties would join to form the next ruling government.

"At first, it seemed to us that politics after the polls would be as polarized as it was previously, but the trend seems to be changing," he said.

The group members have extensive connections with other local business groups and would seek their cooperation as well as that of local student activists, he said.

"I don't think it would be that costly if we stress cooperation from local connections who have their own resources and strength to support our political objectives," he said.

Activities would be aimed at educating rural voters to help them distinguish between good and bad candidates. Lessons would be drawn from politicians' stands during the May bloodshed which forced former premier Gen Suchinda Khraprayun's resignation and led to Anan Panyarachun's appointment as neutral prime minister, he said.

An action plan is being drawn up on the proposed activities, which would include publicizing video tapes on the bloody crackdown on pro-democracy protesters and a series of public debates in various rural areas, he said.

The BMS group was formed after the student uprising in 1973, when several of the founders were still young and had just entered the professional world. Among the group's co-founders were Olan, Thai Military Bank President Supachai Panitchpakdi, Phairot, Bank of Thailand Governor Wijit Suphanit, and Ekkamon Kiriwat, secretary-general of Securities and Exchange Commission.

Akon Huntrakun, owner of the Imperial Hotel Group, was said to be a leading member. Among newcomers are Aswin Kongsiri, president of Industrial Finance Corp of Thailand, Pakhawat Kowithwathanaphong from Securities One, former deputy finance minister Wiraphong Ramangkun, and Nibhat Phukanasut, who is chief of the Finance Ministry's Fiscal Policy Office.

During the last decade, BMS has earned recognition as an informal thinktank while its shareholders have swollen to more than 80 and their roles in business and industry have risen dramatically.

Supachai was previously supported by the group and won a House seat, after which he was appointed deputy finance minister in the Prem government.

Opposition Parties Form National Democratic Front

BK0107023792 Bangkok BANGKOK POST in English 1 Jul 92 p 3

[Text] The four former opposition parties have agreed to continue their cooperation in the coming election and have adopted a joint resolution to struggle for genuine democracy.

The agreement was reached yesterday at a meeting of representatives of the New Aspiration, Democrat, Phalang Tham and Solidarity parties at Parliament House.

Solidarity Party leader Bunchu Rotchanasathian said the four parties had formed a "National Democratic Front" and would set up a coordinating committee made up of the four party secretaries general.

The committee will coordinate joint activities to ensure there are few conflicts between the parties during the election campaign.

It will also work on a joint policy after the election which would include decentralisation of power to people in the regions, he said.

The four parties will push for the election of provincial governor, for economic reforms through distribution of development funds to where they are needed most and for greater land ownership.

"We will also seek the restructuring of the armed forces to make sure the military's role is limited to national defence so it cannot intervene in politics," said Mr Bunchu.

New Aspiration Party secretary-general Phisan Munlasatsathon said it was still not clear how many people were missing after the May 17-20 civil disturbances.

"Newspapers say the number of missing is over 700, but the Interior Ministry says the number is 200-300," he said.

"This confusion has demoralised the people countrywide. Other countries and human rights organisations are also interested. If we do not make this clear, the country might be affected by a trade embargo or a tax barricade.

"The authorities must make it clear how many people were killed and how many wounded, and how the Government has helped their families. Where have all the missing people people gone? Who caused the damage? The culprits must be punished," he said.

Mr Phisan said the disappearance of labour leader Thanong Pho-an must also be explained because the matter is of interest to international labour organisations.

Palang Tham Party acting leader Adm Siri Sirirangsi said the four parties would continue to cooperate in finding ways to prevent future crackdowns by the military.

"The armed forces should be restructured," he said.

"There must be a change in the law to prevent the military from handling internal peacekeeping duties. Reasons for the declaration of a state of emergency must also be reviewed."

Democrat Party secretary-general Sanan Khachonprasat said the four parties must make it clear to the people what they will do to enhance democracy.

Mr Bunchu said he was confident the four parties would receive more support from the people at the next election and win more than the 165 seats won last time so that they will be able to form a government.

Drug Kingpin Said To Reliquish Control of Army

BK3006012192 Bangkok BANGKOK POST in English 30 Jun 92 p 6

[Text] Drug kingpin Khun Sa is believed to have reliquished control over the administrative and military apparatus of his Muong Tai Army [MTA]. His whereabouts are unknown.

Sources say that earlier this month a "peaceful seizure of power from Khun Sa" was effected on June 13 by a six-man "revolutionary council" led by Maj Gen De Win.

Some say the move may have been engineered by Khun Sa, alias Chang Si Fu, as a cosmetic change to allow him a lower profile. The 70-year-old Maj Gen De Win is thought to be his mentor. Since the U.S. federal indictment in March 1990, Khun Sa, overlord of opium and heroin production in the Thai-Burmese border area, has tried to clean up his image.

Sources in the border areas in Mae Hong Son confirm that Khun Sa's control over the MTA has been "usurped" by a group of mutineers who faced no resistance from Khun Sa loyalists.

The MTA, with its headquarters at Huo Muong opposite Mae Hong Son, has about 9,500 soldiers. With independence for Shan State as their stated goal, the MTA has been defending the drug-trafficking route.

According to one source, Maj Gen De Win served as chief of the security forces for the Governor of Muong Tom in Shan State, to whom Khun Sa's mother was remarried. Khun Sa's father died when he was two years old, and Maj Gen De Win is said to have looked after Khun Sa since he was three years old when his mother was married to the Moung Tom Governor.

Khun Sa has twice fought battles with forces loyal to Maj Gen De Win "when their opinions clashed," according to a Khun Sa aide.

Burmese ambassador to Thailand, U Nyunt Swe, contacted by the BANGKOK POST yesteray, said he has not yet heard about this change of leadership.

"The areas where Khun Sa's insurgency operates are very far from the Rangoon authorities but closer to Bangkok. I have no idea at all what's happened there," he said.

Vietnam

Spokesman Rejects Khmer Rouge 'Fabrication'

BK0107114392 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 1 Jul 92

[Text] The weekly news bulletin No. 23 published by Mr. Son Sann's Khmer People's National Liberation Front [KPNLF] on 20 June carried a report saying that Vietnamese troops wearing the uniforms of the Phnom Penh government troops were operating in a number of areas in Battambang Province. The report also said that two Vietnamese divisions were stationed in (Prek Choap) and (Thippadei).

On 30 June, a spokesman of our embassy in Cambodia was authorized to issue a statement rejecting this ill-intentioned fabrication and once again declared that the Vietnamese troops have withdrawn from Cambodia since September 1989. The statement emphatically stressed: The Socialist Republic of Vietnam has always respected and seriously implemented the Paris agreement on Cambodia.

Sihanouk's Comments on 'Uncooperative' KR Noted

BK0207052092 Hanoi Voice of Vietnam in English 1000 GMT 25 Jun 92

[Station commentary]

[Text] Samdech Norodom Sihanouk has strongly condemned the Khmer Rouge's obstruction to the peace process in Cambodia. On Wednesday, 24 June, Samdech Sihanouk even rejected the allegation that Vietnamese troops are still in Cambodia. Following is our comment:

In recent days Samdech Norodom Sihanouk has come out strongly against the uncooperative attitude of the Khmer Rouge in the implementation of the Paris Accord on Cambodia. The Khmer Rouge has put forth an unacceptable condition regarding their cooperation with the Supreme National Council of Cambodia [SNC] and the UN Transitional Authority in Cambodia [UNTAC].

Prince Sihanouk said that the Khmer Rouge's demand for UN verification of the Vietnamese troop withdrawal from Cambodia was groundless because, according to the prince, there is not a single Vietnamese troop in Cambodia nowadays. Besides, the prince also highly valued Vietnam's contributions to the cause of peace in Cambodia. He reaffirmed that Vietnam's contributions were constructive and goodwilled.

At the reception given to Deputy Foreign Minister Vu Khoan, head of the Vietnamese delegation to the Tokyo International Conference on reconstruction of Cambodia, Prince Sihanouk once again affirmed that Vietnam has extended valuable assistance to Cambodia and that he has seen this with his own eyes.

Since his return to Cambodia following the Paris Accord on Cambodia, Prince Sihanouk has voiced his determination to further strengthen and consolidate the relations between Cambodia and Vietnam. Prince Sihanouk has many times rejected groundless allegations against Vietnam made by the Khmer Rouge, and highly appreciated Vietnam's constructive contributions to the cause of defending and building of the Khmer nation.

Stemming from that desire and [word indistinct], once again the prince reaffirmed his aspiration to have a time-honored good neighborliness and friendship with Vietnam.

Daily Marks Cambodian Party Anniversary

BK2706085592 Hanoi VNA in English 0631 GMT 27 Jun 92

[Text] Hanoi VNA June 27—NHAN DAN today lends full support to the Cambodian People's Party and the State of Cambodia's determination to step up the process of national reconciliation and fully carry out the party agreement so as to bring genuine peace to the Cambodian people while resolutely safeguarding the gains they have achieved. In an article marking the 41st anniversary of the People's Party of Cambodia (June 28), the paper says: "Over the past 41 years of the struggle full of hardships and trials, at times with heavy losses, the people's party has led the Cambodian people to prideworthy victories in the fight for national independence and the freedom and happiness of the people. After January, 1979, the People's Party has led the Cambodian people into a wonderful process of revival and obtained great achievements in many fields. Noteworthy is that after the complete withdrawal of Vietnamese Army volunteers in September 1989, the party continued to guide the Cambodian people to overcome new challenges and [word indistinct] new exploits. Guided by a correct policy of national reconciliation, and prompted by a high sense of responsibility for the nation's destiny, the State of Cambodia has taken a series of initiatives to end the civil war, thus contributing to an overall political settlement of the conflict in Cambodia.

Entering in the second phase of the ceasefire beginning on June 13, 1992, the Cambodian state once again showed its goodwill by taking the load in implementing the Paris peace agreement according to the agreed schedule. Its cooperation with UNTAC in the implementation of the agreement has been highly appraised by this un body and the public at large as an example for other parties. The Cambodian state has also made great efforts to improve its relations with neighbouring countries and other countries in the region in order to contribute to the common stability and cooperation in Southeast Asia".

Deputy Minister Meets Japanese Counterpart

BK2806151392 Hong Kong AFP in English 1409 GMT 28 Jun 92

[Text] Hanoi VNA June 28—Vietnamese Deputy Foreign Minister Vu Khoan has met and exchanged views with his Japanese counterpart H. Owada, after attending the international conference on the reconstruction of Cambodia held in Tokyo recently.

The Vietnamese and Japanese diplomats dealt with the relation between the two countries, and the Asian-Pacific issues of common concern.

The working session took place in a frank and fiendly atmosphere.

Vo Van Kiet Receives Malaysian State Governor

BK0107161392 Hanoi VNA in English 1504 GMT 1 Jul 92

[Text] Hanoi VNA July 1—"Vietnam is creating favourable conditions for Malaysian businessmen to invest in Vietnam," said Premier Vo Van Kiet while receiving here this afternoon Dato Rami Ngah Talib, governor of the state of Perak, who is leading a delegation of Malaysian businessmen on a current visit to lock into possibilities of investment in Vietnam. The premier briefed the Malaysian guests about Vietnam's open-door policy and priority investment areas. For his part, the Perak governor informed the Vietnamese premier of his delegation's findings while investigating some localities in south Vietnam. He said Malaysian businessmen are interested in maize, cashew, cacao, pineapple, fish sauce, fish meal and cement production. "We want to cooperate or enter into joint ventures with Vietnam in the areas where we have most experience for our own interests and also for the prosperity of a neighbouring and friendly country", the governor said.

Vo Van Kiet Meets War Invalids Business Chiefs

BK2906071692 Hanoi VNA in English 1243 GMT 29 Jun 92

[Text] Hanoi VNA June 29—On the occasion of the 45th War Invalids Day (July 27), Chairman of the Council of Ministers Vo Van Kiet yesterday met with the directors of the enterprises employing mostly war invalids in Hanoi.

Hanoi has now ten such enterprises and two workshops employing more than 5,000 workers 13.26 percent of them war invalids. On the whole, these enterprises have performed well in the market mechanism and are making profits. The income of their workers is above average.

Speaking at the meeting Chairman Vo Van Kiet said the government encouraged these enterprises to continue expanding production in all forms, state-owned, joint venture and stock companies. He said it is necessary to choose the right lines of production, invest more in equipment and find new outlets in order to sign on more workers from among the war invalids and families of fallen soldiers.

The prime minister added that the government will give preferential treatment to these enterpises in term of capital and tax policies especially with regard to those with a high percentage of war invalids in the workforce.

Ambassador Accuses PRC Over Spratly Issue

BK3006014192 Bangkok BANGKOK POST in English 30 Jun 92 p 7

[Text] The Vietnamese ambassador yesterday accused China of threatening regional stability by going ahead with its agreement with a US oil company to explore for oil and gas deposits in the contested Spratly Islands.

China signed an agreement on May 8 with Crestone Energy Corp to explore for oil and gas in the South China Sea archipelago.

Ambassador to Thailand Nguyen Trung said yesterday Beijing had yet to respond to protests from his country over the issue.

Vietnam insists the area covered by the agreement lies in its continental shelf and is not even part of the Spratlys.

China, Vietnam, Malaysia, the Philippines, Taiwan and Brunei all claim all or part of the Spratlys, a cluster of islands and atolls believed to be oil-rich.

"It is indisputable that the area (covered by the May 8 agreement) belongs to Vietnam," claimed Ambassador Trung.

"The act of China violates Vietnam's sovereignty and territorial integrity. It also violates the International Convention on Continental Shelves signed at Montego

Bay in 1982 which stipulates clearly that the continental shelf belongs to the coastal country."

Mr Trung said the area in question lay about 134 kilometres off Vietnam, and for more than a century the Vietnamese authorities and the people had shuttled between the coast and the area for certain activities.

"My government is very surprised by this act, which took place after the normalisation of relations between China and Vietnam.

"All of us remember the normalisation as a very difficult process and it has cost both sides so much effort," he said.

The ambassador said the Chinese delegation was bombarded with questions from other countries concerning the Spratlys issue at last week's conference on Asia-Pacific security in Kuala Lumpur.

The Chinese Ambassador walked out of the conference at one stage after heavy questioning.

Before the agreement with Crestone Energy Corp, China caused regional concerns by promulgating a decree declaring sovereignty over the South China Sea.

Mr Trung said Hanoi had notified Crestone Energy Corp that it should not implement the agreement.

It has also informed Washington about the issue, but the ambassador admitted the absence of normal relations between Vietnam and the US compounded the matter.

"One difficulty is that there is not full ties between the Vietnamese and US governments. If there were, we could ask the US government to become involved," he said.

The ambassador said the dispute should be resolved through negotiations and peaceful means.

"Vietnam needs an atmosphere of peace and stability to reconstruct the country. If China tries to go into these areas, using this recent approach, what will it mean to our region?"

Mr Trung said Vietnam had tried to contribute to regional peace and stability, and had demobilised 600,000 troops over the past 18 months.

Fishery Delegation Visits Hong Kong

BK2906092292 Hanoi Voice of Vietnam in English 1000 GMT 24 Jun 92

[Text] A delegation left on Wednesday [24 June] for a week-long visit to Hong Kong to attract investment for the development of Vietnam's fishery. The delegation, led by Mr. Vo Van Trac, general director of Ministry of Fishery's fishery delevelopment program, is expected to meet local investors as well as suppliers and manufacturers and brief them on future development plans for Vietnam's fishery and marine products processing industry.

Diplomatic Ties Established With Marshall Islands

BK0207022092 Hanoi VNA in English 1513 GMT 1 Jul 92

[Text] Hanoi VNA July 1—Vietnam and the Marshall Islands Republic have set up diplomatic relations at ambassadorial level as from July 1, 1992, says a joint communique signed in Beijing today. Signatories were Dang Nghiem Hoang, and Laurence N. Edward, ambassadors of Vietnam and the Marshall Islands Republic to China. "The two countries have agreed to develop friendly and bilateral cooperation on the basis of the five principles of peaceful co- existence and the principles of the UN Charter", the communique reads.

Udmurt Government Delegation Concludes Visit

BK0107160592 Hanoi VNA in English 1511 GMT 1 Jul 92

[Text] Hanoi VNA July 1—A governmental delegation of the Republic of Udmurtia (belonging to the Russian Federation) led by V.A. Solovyov, first vice-chairman of the Council of Ministers, visited Vietnam from June 23 to July 1 as guest of the Vietnamese Government.

While here, the delegation visted several production establishments and companies in Ho Chi Minh City, Hanoi and Haiphong. It was received by Nguyen Quyet, vice-president of the State Council, and Tran Duc Luong, vice chairman of the Council of Ministers. It signed with a Vietnamese Government delegation led by First Deputy head of the State Planning Commission Le Xuan Trinh an agreement on economic and trade cooperation, especially in the fields of agricultul, heavy industry, food industry, light industry and consumer goods.

Beijing-Hanoi Air Service Resumes

BK2906072692 Hanoi VNA in English 0637 GMT 29 Jun 92

[Text] Hanoi VNA June 29—Commercial air service between the Chinese and Vietnamese capitals resumed on Sunday with the inauguration of a weekly round-trip flight.

A China Southern Airlines B737-500 arrived in Hanoi from Beijing via the southwestern Chinese city of Nanning. The aircraft returned to Beijing later in the day.

China Southern Airlines is the Guangzhou-based operating unit of the Civil Aviation Administration of China (CAAC). The airline began flying between Guangzhou and Ho Chi Minh City last month.

Illegal Foreign Offices Reported

BK2606071492 Hanoi VNA in English 0639 GMT 26 Jun 92

[Text] Hanoi VNA June 26—As many as 52 foreign, mostly Asian, companies have been found doing illegal business in Ho Chi Minh City according to the Ministry of Commerce and Tourism. Most of them rented hotels or private homes to open offices without going through investment procedures.

A number of others used the names of joint ventures with Vietnamese partners to operate independently without permits.

The Ministry of Trade and Tourism is considering appropriate penalties and will make all the unlicensed companies apply for licences.

Economic Cooperation With UNDP Reviewed

BK2606125592 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 22 Jun 92

[From the "International Topic" program]

[Text] The UN Development Program or UNDP has had very good cooperative relations with Vietnam during the last 15 years. In September 1977, when Vietnam had just joined the United Nations, the UNDP started its financial assistance program by granting $7 million in aid to the SRV Government. Since then, the UNDP has continuously granted financial assistance to Vietnam with increasing donations, $57 million for 1977-1981, $64 million for 1982-1986, and $80.4 million for 1987-1991. Compared to other nations receiving UNDP aid, Vietnam is among the top five.

Thanks to the UNDP aid, Vietnam has implemented hundreds of development projects in the fields of industry, agriculture, resource exploitation, transportation, science, technology, rural development, and so forth. In 1985-1986, when the SRV Government launched its economic reform, the UNDP decided to focus its assistance on Vietnam because our country was having difficulty in receiving aid from other sources such as the World Bank and the Asian Development Bank. The UNDP aid was used to help Vietnam in strategic economic projects for the development of agriculture, forestry, foreign trade, tourism, transportation, agricultural product processing, projects for the development of the Mekong and Red River deltas, and so forth.

In recent years, with help from the World Bank, the UNDP has coordinated with other international organizations such as UNIDO [UN Industrial Development Organization], ESCAP [Economic and Social Commission for Asia and the Pacific], and the IMF to help Vietnam in fighting inflation, research for economic development, and so on. With this assistance, Vietnamese cadres have been sent overseas for training in macro-economic management and more equipment and machines have been purchased.

In late 1989, Vietnam and the UNDP jointly held meetings to review projects and programs that had been implemented in the third stage 1987-1991 to draw experience for stage four 1992-1996. In anticipation of stage four, many major economic activities were held under the auspices of the UNDP such as the Ho Chi Minh City Forum on Investment in Vietnam in March 1991 and the Seminar on Vietnam's Economy in April 1992 with the participation of many banks, international economic institutions, and other organizations.

Mekong Delta Exports More Rice Than Last Year

BK2806075092 Hanoi VNA in English 0627 GMT 28 Jun 92

[Text] Hanoi VNA June 28—In the first half of June, the food export enterprises in the Mekong Delta provinces exported over 100,000 tons of rice or more than one sixth of the amount they have exported so far this year. In the last three months, rice export of the Mekong Delta totalled 400,000 tonnes compared to 200,000 tons in the first quarter. According to the Ministry of Agriculture and Food Industry, output of the winter-spring rice crop in Vietnam totalled 9 million tons of paddy, including 5.5 million tons in the south and 3.5 million tons in the north. Leading in productivity are the northern provinces of Thai Binh, Nam Ha, Hai Hun and Thanh Hoa which reaped from 3.3 to 4.6 tons of paddy per hectare.

Summer-Autumn Rice Planting Reported

BK0107160792 Hanoi VNA in English 1523 GMT 1 Jul 92

[Text] Hanoi VNA July 1—According to the Ministry of Agriculture and Food Industry, up to June 7,875,000 hectares in the whole country had been put under summer-autumn rice, representing 94 per cent of the plan. The southern provinces have transplanted 1,184,000 hectares of rice, up by 5 per cent compared with the same last year.

NHAN DAN on Party Renovation, Readjustment

BK0207075992 Hanoi VNA in English 0650 GMT 2 Jul 92

[Text] Hanoi VNA July 2—Renovating and building the party is an imperative and fundamental task of decisive significance to the party's combativeness and the country's destiny, says NHAN DAN in an editorial today on the resolution on party work of the just-concluded third party Central Committee plenum.

The paper says:

"Renovating and readjusting the party are two aspects of the same task. Readjustment involves renovation and vice versa, both aimed at raising the party's leading capacity and combativeness, purifying the party contingent to ensure success for the implementation of the political tasks set by the Seventh Party Congress, most importantly to develop the country forward in the renovation process along the socialist path.

"To firmly grasp and apply Marxism-Leninism and Ho Chi Minh's thought, to carry on the socialist-oriented policy of renovation, strengthen the party's leading role, observe the principles for the organisation and activities of the party, and continually strengthen the ties between the party and the people are the foundations to renovate and readjust the party in the spirit of the resolution of the third party Central Committee plenum.

"First of all", the paper continues, "we must strengthen the party politically and ideologically so as to raise the party's political sagacity, intellectual power and leading capacity, continue to concretise and develop the viewpoints and guidelines set by the Seventh Party Congress and gradually determine a model for the advance to socialism in Vietnam.

"Political and ideological work is always associated with organisational work, because the firmness of organisation is of decisive significance for raising the party's combativeness. Therefore, we have to strictly observe all principles regarding party organisation and life, first of all the principle of democratic centralism, to overcome all manifestations of indiscipline, arbitrariness and autocracy in the party.

"Cadre work is a key work to the whole cause of renovation, a task of strategic significance. At the present juncture, the leading and managerial cadres must display great political sagacity and a high determination to achieve the objectives of socialism and to carry to success the process of renovation.

"Renovation of the mode of party leadership is aimed at strengthening the party leading role, raising the quality and effectiveness of the party leadership in all aspects of life as well as developing the role and effect of the state and mass organizations so as to bring into full play the integrated strength of the political system to make its activities dynamic, effective and efficient," the paper says in conclusion.

More Candidates for Assembly Election Listed

BK0107135192 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 1 Jul 92

[List of candidates running for election as deputies to the Ninth National Assembly in the provinces of Can Tho, Soc Trang, Kien Giang, Minh Hai, and Ba Ria-Vung Tau]

[Text] **Can Tho Province**

Can Tho City forms the first electoral unit and will elect two deputies from the following candidates:

1. Pham Van Kiet alias Nam Van, vice chairman and concurrently secretary general of the VFF [Vietnam Fatherland Front] Central Committee, and deputy to the Eighth National Assembly;
2. Tran Truc Son, principal of the Nguyen Viet Hong General Education School; and
3. Duong Viet Trung, director of the provincial Agricultural Products Import-Export Corporation and deputy to the Eighth National Assembly.

The districts of Thot Not and O Mon form the second electoral unit and will elect three deputies from the following candidates:

1. Pham Xuan Dinh, lawyer, vice president of the provincial Lawyers Association, and chief of the democratic rights and legal affairs section of the provincial fatherland front committee;
2. Ngo Hong Khanh, deputy director of the culture, information, and sports service, and member of the secretariat of the Vietnam Stage Artists Association;
3. Viet Thi Xuan Nhan, secretary of the Thot Not District Ho Chi Minh Communist Youth Union;
4. Phuong Thi So Phi of the Khmer ethnic group, medical doctor, and director of the provincial Children's Hospital; and
5. Vo Tong Xuan, holder of a Ph.D. in agronomy, professor, deputy dean of the Can Tho University, and deputy to the Eighth National Assembly.

The districts of Chau Thanh and Phung Hiep form the third electoral unit and will elect three deputies from the following candidates:

1. Nguyen Hong Diem, chairman of the Phung Hiep District Women Union;
2. Bui Van Hoanh, chairman of the provincial people's committee;
3. Nguyen Thi Kim Lien, vice chairman of the provincial Women Union;
4. Vo Thi Thanh Nga, member of the provincial Ho Chi Minh Communist Youth Union; and
5. Nguyen Ha Phan, secretary of the party Central Committee and deputy to the Eighth National Assembly.

The districts of Long My and Vi Thanh form the fourth electoral unit and will elect two deputies from the following candidates:

1. Dang Thi Le, chairman of the Long My District Women Union;
2. Phan Van Tien, agronomical engineer, director of the agricultural service, and deputy to the Eighth National Assembly; and
3. Nguyen Xuan Kinh, colonel and director of the public security service.

Soc Trang Province

The districts of My Tu and Thanh Tri and the district capital of Soc Trang form the first electoral unit and will elect three deputies from the following candidates:

1. Ha Thai Binh alias Tu Hien, chairman of the provincial mass mobilization committee and chairman of the provincial fatherland front committee;

2. Truong Thanh Binh, farmland irrigation engineer and deputy director of the water conservancy service;
3. Duong Nhon of the Khmer ethnic group, bonze superior, member of the VFF Central Committee, and member of the Vietnam Buddhist Church Executive Committee; and
4. Le Phuoc Tho alias Sau Hau, member of the party Central Committee Political Bureau and head of the party Central Committee Organization Department.

The districts of Ke Sach and Long Phu form the second electoral unit and will elect three deputies from the following candidates:

1. Le Thanh Binh, chairman of the provincial people's committee;
2. Phan Le Hong, director of the education and vocational training service;
3. Tran Viet Hung, vice president of the provincial Labor Union; and
4. Lam Hung Kien, deputy director of the provincial state planning committee and deputy to the Eighth National Assembly.

The districts of My Xuyen and Vinh Chau form the third electoral unit and will elect two deputies from the following candidates:

1. Vo Minh Chien, secretary of the provincial Ho Chi Minh Communist Youth Union;
2. Huynh Cuong of the Khmer ethnic group, deputy chairman of the Eighth National Assembly;
3. Viet Kinh Can, horticultural engineer and director of the agricultural service.

Kien Giang Province

The districts of Chau Thanh, Giong Rieng, and Tan Hiep will form the first electoral unit and elect two deputies from the following candidates:

1. Danh Con of the Khmer ethnic group, chairman of the people's committee of Chau Thanh District.
2. Tran Van Nien or Tu Nien, major general and deputy commander of the Military Region Nine.
3. Danh Tot of the Khmer ethnic group, vice chairman of the provincial Peasants Association.

The districts of An Bien, An Ninh, Vinh Thuan, and Go Quao will form the second electoral unit and elect three deputies from the following candidates:

1. Tran Chi Liem, medical doctor and director of the Health Department.
2. Thai Bac Liet, Phd candidate in economics, deputy director of the Finance and Pricing Department, and head of the provincial Taxation Service.
3. Bui Van Tam or Sau Tam, chairman of the provincial people's committee.
4. Nguyen Duc Thang, director of the Aquaculture Department.

The districts of Hon Dat, Ha Tien, Phu Quoc, Kim Hai, and Rach Gia town will form the third electoral unit and elect two deputies from the following candidates:

1. Pham Van Minh or Hai Chi, chairman of the provincial people's committee
2. Nguyen Thi Viet Nhan, deputy head of the provincial workers federation.
3. Tran Kim Phuong of the University of Economic Management and deputy director of the Labor, War Invalids, and Social Welfare Department.

Minh Hai Province

The districts of Hong Van, Gia Rai, Vinh Loi, and Bac Lieu Town will form the first electoral unit and elect three deputies from the following candidates:

1. Tran Van Cua or Hai Toi, senior colonel and deputy commander of the provincial military commander.
2. Nguyen Viet Hong or Quoc Viet of the University of Pedagogy and director of the Education and Training Department.
3. Pham Xuan Thao, vice chairman and general secretary of the Vietnam Youth Federation.
4. Le Anh Tuan, deputy head of the provincial People's Court.

The districts of Tran Van Thoi, U Minh, Thoi Binh, Ca Mau town will form the second electoral unit and elect two deputies from the following candidates:

1. Mai Thanh An or Bay Ken, head of the provincial Vietnam Fatherland Front.
2. Nguyen Thi Hong Minh of the University of Aquaculture, deputy head of the Aquaculture Department, and deputy of the Eighth National Assembly.
3. Nguyen Thanh Giam or Nguyen Dung of the College of Law and deputy head of the Judiciary Department.

The districts of Cai Nuoc, Ngoc Hien, and Dam Doi will form the third electoral unit and elect two deputies from the following candidates:

1. Vo Van Cau or Ba Cau, head of the Agriculture Department.
2. Dang Thanh Hoc or Ba Thai, chairman of the provincial people's committee and deputy of the Eighth National Assembly.
3. Truong Minh Thang or Tu Thang, medical doctor and head of the Health Department.

Ba Ria-Vung Tau Province

The districts of Long Dat, Xuyen Moc, and Vung Tau City will form the first electoral unit and elect two deputies from the following candidates:

1. Do Quoc Hung, vice chairman of the provincial people's committee and deputy of the Eighth National Assembly.

2. Le Huy Luyen of the University of Pedagogy and head of the Education and Training Department.

3. Bui Thien Ngo, member of the Political Bureau of the party Central Committee and minister of interior.

The districts of Chau Thanh and Con Dao will form the second electoral unit and elect two deputies from the following candidates:

1. Phan Van Hy, secretary of the provincial party committee and deputy of the Eighth National Assembly.

2. Phanm Thi Son, head of the provincial Nationalities Department and chairman of the Provincial Vietnam Fatherland Front.

3. Nguyen Thi Anh, head of the provincial Department of the Vietnam Confederation of Trade Unions.

Condolences for President's Death Sent to Algeria

BK0107155392 Hanoi VNA in English 1519 GMT 1 Jul 92

[Text] Hanoi VNA July 1—President of the State Council Vo Chi Cong today sent a message of condolences to council of the democratic and popular republic of Algeria over the tragic death of President Mohamed Boudiaf. A state delegation led by Vice-president of the State Council Le Quang Doa this morning called at the Algerian Embassy to pay homage to the murdered president who was asassinated on June 29. The delegation also included Vice Chairman of the Council of Ministers Nguyen Khanh and many cabinet members. Also today delegations of the Ministry of Foreign Affairs, the Vietnam-Algeria Friendship Association and various central and Hanoi offices came to the Algerian Embassy to condole with the Algerian people.

Australia

Keating Says Economic Growth on Target

BK3006134692 Melbourne Radio Australia in English 0500 GMT 30 Jun 92

[Text] Australian Prime Minister Paul Keating says the country is on target to achieve the forecast 4.5 percent economic growth in the coming financial year. But Mr. Keating told his ruling Labor Party that for unemployment to be brought down from 10.7 percent to single digits, productivity had to continue to improve. He said Australia was coming out of the recession with the agricultural-and mining-based states of Western Australia and Queensland leading the recovery.

New Zealand

Country To Buy More Than 2 Australian Frigates

BK0107125692 Melbourne Radio Australia in English 0500 GMT 1 Jul 92

[Text] New Zealand Defense Minister Warren Cooper says Wellington is not likely to buy more than two frigates built by Australia. New Zealand is committed to buy two more of the Australian-built ships with options of two more.

This week, a parliamentary committee found the first two ships would cost NZ$ 1.2 billion, 31 percent more than the agreed price when the contract was signed in 1989. Mr. Cooper said despite improvements in the New Zealand economy it was unlikely Wellington would want to take up the third and fourth ship options. A final decision does not have to be made until 1997. The ships are being built as part of a 10-ship program for both Australia and New Zealand.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.

59